



**Iowa General Assembly**  
**Daily Bills, Amendments and Study Bills**  
**May 07, 2012**

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CCH-2335

REPORT OF THE CONFERENCE COMMITTEE  
ON HOUSE FILE 2335

To the Speaker of the House of Representatives and the  
President of the Senate:

We, the undersigned members of the conference committee  
appointed to resolve the differences between the House of  
Representatives and the Senate on House File 2335, a bill for  
an Act relating to appropriations to the justice system, and  
providing effective dates, respectfully make the following  
report:

1. That the Senate recedes from its amendment, H-8323.
2. That House File 2335, as amended, passed, and reprinted  
by the House, is amended to read as follows:



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1. Page 1, line 17, by striking <7,013,637> and inserting  
<7,792,930>

2. Page 1, by striking line 18 and inserting:  
<..... FTEs ~~212.00~~  
214.00>

3. Page 1, line 26, by striking <2,590,502> and inserting  
<2,876,400>

4. Page 2, line 6, by striking <1,633,348> and inserting  
<1,814,831>

5. Page 3, line 22, by striking <40,859,943> and inserting  
<42,686,899>

6. Page 3, after line 22 by inserting:  
<The department of corrections shall submit, to the  
co-chairpersons and ranking members of the joint appropriations  
subcommittee on the justice system by January 15, 2013, the  
plans for the integration of the John Bennett facility and the  
clinical care unit into the new Fort Madison maximum security  
correctional facility and the future plans for the use of the  
current Fort Madison maximum security correctional facility  
after the inmates are transferred to the new facility.>

7. Page 3, line 27, by striking <31,985,974> and inserting  
<32,920,521>

8. Page 3, line 32, by striking <55,717,933> and inserting  
<57,950,613>

9. Page 4, line 2, by striking <25,958,757> and inserting  
<27,127,290>

10. Page 4, line 7, by striking <25,917,815> and inserting  
<26,751,707>

11. Page 4, line 12, by striking <9,316,466> and inserting  
<9,671,148>

12. Page 4, line 17, by striking <24,477,653> and inserting  
<25,241,616>

13. Page 4, line 27, by striking <15,615,374> and inserting  
<16,341,725>



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14. Page 4, line 32, by striking <29,062,235> and inserting  
<29,865,232>

15. Page 5, line 3, by striking <775,092> and inserting  
<1,075,092>

16. Page 5, line 7, by striking <239,411> and inserting  
<484,411>

17. Page 5, line 29, by striking <4,835,542> and inserting  
<5,081,582>

18. Page 6, line 17, by striking <2,308,109> and inserting  
<2,358,109>

19. Page 8, line 16, by striking <12,204,948> and inserting  
<12,958,763>

20. Page 8, line 20, by striking <10,336,948> and inserting  
<10,870,425>

21. Page 8, line 24, by striking <5,599,765> and inserting  
<6,238,455>

22. Page 8, line 28, by striking <5,391,355> and inserting  
<5,495,309>

23. Page 8, line 33, by striking <18,742,129> and inserting  
<19,375,428>

24. Page 9, line 2, by striking <13,112,563> and inserting  
<14,095,408>

25. Page 9, line 6, by striking <6,492,814> and inserting  
<6,895,634>

26. Page 9, line 10, by striking <6,879,715> and inserting  
<7,518,935>

27. Page 9, by striking lines 11 and 12 and inserting:

<1A. In order to enhance the safety of the general public,>

28. Page 10, line 20, by striking <868,698> and inserting  
<968,698>

29. Page 12, line 7, by striking <1,053,835> and inserting  
<1,203,835>

30. Page 12, line 25, by striking <309.21> and inserting  
<296.00>



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31. Page 14, line 7, by striking <155.10> and inserting  
<154.60>

32. Page 14, line 35, by striking <69.00> and inserting  
<68.00>

33. Page 15, line 27, by striking <51,903,233> and inserting  
<53,493,490>

34. Page 16, after line 25 by inserting:

<9. For costs associated with the training and operation  
of the statewide interoperable communications system board  
excluding salaries and contracts:  
..... \$ 48,000>

35. Page 16, line 34, after <direct> by inserting <and  
indirect>

36. Page 18, line 7, by striking <1,167,362> and inserting  
<1,297,069>

37. Page 19, after line 29 by inserting:

<Sec. \_\_\_\_\_. Section 654.4B, subsection 2, paragraph b, Code  
Supplement 2011, is amended to read as follows:

b. This subsection is repealed July 1, 2012 2013.

Sec. \_\_\_\_\_. Section 904A.4A, Code 2011, is amended by adding  
the following new subsections:

NEW SUBSECTION. 7. Act as the representative of the board  
relative to the passage, defeat, approval, or modification of  
legislation that is being considered by the general assembly.

NEW SUBSECTION. 8. Develop a budget for the board subject  
to the approval of the board and prepare all reports required  
by law.

NEW SUBSECTION. 9. Hire and supervise all staff pursuant to  
the provisions of chapter 8A, subchapter IV.

Sec. \_\_\_\_\_. REPEAL. Section 904A.4B, Code 2011, is repealed.

Sec. \_\_\_\_\_. DEPARTMENT OF PUBLIC SAFETY BUILDING  
DESIGNATION. The state office building located at 215 east  
seventh street, which houses the department of public safety,  
shall be named after Oran Pape, the first member of the

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jm/jp

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state patrol killed in the line of duty and the only member of the state patrol to have been murdered. An appropriate commemorative plaque shall be placed near the entrance of the state building in recognition of Oran Pape and his sacrifice as a member of the state patrol.>

38. Page 20, after line 3 by inserting:

<4. The section of this Act amending section 654.4B, subsection 2, paragraph "b".>

39. By renumbering as necessary.

ON THE PART OF THE HOUSE:

ON THE PART OF THE SENATE:

---

GARY WORTHAN, CHAIRPERSON

---

TOM HANCOCK, CHAIRPERSON

---

RICHARD ARNOLD

---

EUGENE S. FRAISE

---

LANCE HORBACH

---

ROBERT M. HOGG



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REPORT OF THE CONFERENCE COMMITTEE  
ON HOUSE FILE 2336

To the Speaker of the House of Representatives and the  
President of the Senate:

We, the undersigned members of the conference committee  
appointed to resolve the differences between the House of  
Representatives and the Senate on House File 2336, a bill for  
an Act relating to appropriations involving state government  
entities involved with agriculture, natural resources, and  
environmental protection, respectfully make the following  
report:

1. That the Senate recedes from its amendment, H-8322.



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2. That House File 2336, as passed by the House, is amended to read as follows:

1. Page 1, line 17, by striking <18,132,808> and inserting <17,081,328>

2. Page 1, after line 32 by inserting:

<4. The department shall use one of the full-time equivalent positions authorized in subsection 1 to employ one new assistant state veterinarian.

5. The department shall use two of the full-time equivalent positions authorized in subsection 1 to employ two new full-time positions whose primary responsibility shall be to inspect commercial establishments as defined in section 162.2 and to otherwise administer and enforce the provisions of chapter 162. The department may charge the salaries and benefits of the positions to the commercial establishment fund created in section 162.2C.>

3. Page 2, line 19, by striking <15G.205> and inserting <15G.205 159A.16>

4. Page 5, line 33, by striking <11,832,252 > and inserting <12,516,700 >

5. Page 6, after line 6 by inserting:

<2A. a. The department shall use 32 of the full-time equivalent positions authorized pursuant to subsection 1 to support full-time park ranger positions, including four new full-time park ranger positions.

b. Notwithstanding paragraph "a", if the department determines that the amount of the appropriation made in subsection 1 is not sufficient to support 32 full-time park ranger positions, it shall support at least 30 full-time park ranger positions.

c. The department shall not reduce the number of full-time park ranger positions to fewer than 30.>

6. Page 6, after line 30 by inserting:

<1A. From the amount appropriated in subsection 1, the





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department shall support at least 84 full-time conservation officer positions.>

7. Page 8, line 28, by striking <1,800,000> and inserting <2,000,000>

8. By striking page 9, line 22, through page 10, line 7.

9. Page 10, before line 8 by inserting:

<DIVISION \_\_\_\_

USE OF MONEYS IN THE STATE FISH AND GAME PROTECTION FUND —  
PURCHASE OF RADIOS

Sec. \_\_\_\_\_. 2011 Iowa Acts, chapter 128, section 19, subsection 1, is amended to read as follows:

1. Notwithstanding 2010 Iowa Acts, chapter 1191, section 7, the department of natural resources may use the unappropriated balance remaining in the state fish and game protection fund for the fiscal year beginning July 1, 2010, and ending June 30, 2011, to purchase mobile radios to meet federal and state requirements for homeland security and public safety. This section applies to those moneys in the fund that are not otherwise used, obligated, or encumbered for payment of health and life insurance premium payments for conservation peace officer retirements for that fiscal year. The department may use such moneys until June 30, ~~2012~~ 2013.

Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division of this Act amending 2011 Iowa Acts, chapter 128, section 19, subsection 1, being deemed of immediate importance, takes effect upon enactment.>

10. Page 11, by striking lines 24 through 26 and inserting:

<b. Not more than 10 percent of the moneys appropriated in paragraph "a" may be used for costs of administration and implementation of soil and water conservation practices.>

11. Page 12, by striking lines 5 through 7 and inserting:

<b. Not more than 10 percent of the moneys appropriated in paragraph "a" may be used for costs of administration and implementation of soil and water conservation practices.>

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12. Page 12, line 28, by striking <2,000,000> and inserting  
<2,550,000>

13. Page 13, by striking lines 1 through 3 and inserting:  
<b. Not more than 10 percent of the moneys appropriated  
in paragraph "a" may be used for costs of administration and  
implementation of soil and water conservation practices.>

14. Page 13, line 10, by striking <7,000,000> and inserting  
<6,650,000>

15. Page 14, line 28, by striking <675,000> and inserting  
<525,000>

16. Page 14, line 30, by striking <\$450,000> and inserting  
<\$393,750>

17. Page 15, line 1, by striking <\$225,000> and inserting  
<\$131,250>

18. Page 15, line 14, by striking <1,250,000> and inserting  
<550,000>

19. Page 15, by striking lines 15 through 23.

20. Page 16, line 6, by striking <3,210,000> and inserting  
<3,710,000>

21. Page 16, line 30, by striking <420,000> and inserting  
<620,000>

22. Page 17, by striking lines 11 through 16 and inserting:  
<10. GEOLOGICAL AND WATER SURVEY

For continuing the operations of the department's geological  
and water survey including but not limited to providing  
analysis, data collection, investigative programs, and  
information for water supply development and protection:

..... \$ ~~100,000~~  
200,000>

23. By striking page 17, line 17, through page 18, line 7.

24. Page 18, before line 8 by inserting:

<DIVISION \_\_\_\_

RESOURCES ENHANCEMENT AND PROTECTION (REAP) FUND  
GENERAL APPROPRIATION FOR FY 2012-2013

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Sec. \_\_\_\_\_. 2011 Iowa Acts, chapter 128, is amended by adding the following new section:

NEW SECTION. SEC. 59A. ENVIRONMENT FIRST  
FUND. Notwithstanding the amount of the standing appropriation from the general fund of the state to the Iowa resources enhancement and protection fund as provided in section 455A.18, there is appropriated from the environment first fund created in section 8.57A to the Iowa resources enhancement and protection fund, in lieu of the appropriation made in section 455A.18, for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, to be allocated as provided in section 455A.19:

..... \$ 12,000,000>

25. Page 18, before line 8 by inserting:

<DIVISION \_\_\_\_

AGRICULTURAL DRAINAGE WELL WATER QUALITY ASSISTANCE FUND  
SPECIAL APPROPRIATION FOR FY 2012-2013

Sec. \_\_\_\_\_. 2011 Iowa Acts, chapter 128, is amended by adding the following new section:

NEW SECTION. SEC. 59B. REBUILD IOWA INFRASTRUCTURE  
FUND. Notwithstanding section 8.57, subsection 6, paragraph "c", there is appropriated from the rebuild Iowa infrastructure fund created in section 8.57 to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For deposit in the agricultural drainage well water quality assistance fund created in section 460.303 in order to support the agricultural drainage well water quality assistance program as provided in section 460.304:

..... \$ 1,000,000>

26. Title page, line 3, after <protection> by inserting <, and including effective date provisions>



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27. By renumbering, redesignating, and correcting internal references as necessary.

ON THE PART OF THE HOUSE:

ON THE PART OF THE SENATE:

\_\_\_\_\_  
JACK DRAKE, CHAIRPERSON

\_\_\_\_\_  
DENNIS H. BLACK, CHAIRPERSON

\_\_\_\_\_  
ROSS PAUSTIAN

\_\_\_\_\_  
DICK L. DEARDEN

\_\_\_\_\_  
NICK WAGNER

\_\_\_\_\_  
HUBERT HOUSER

\_\_\_\_\_  
MARY JO WILHELM



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REPORT OF THE CONFERENCE COMMITTEE  
ON HOUSE FILE 2337

To the Speaker of the House of Representatives and the  
President of the Senate:

We, the undersigned members of the conference committee  
appointed to resolve the differences between the House of  
Representatives and the Senate on House File 2337, a bill for  
an Act relating to appropriations to the department of cultural  
affairs, the economic development authority, certain board of  
regents institutions, the department of workforce development,  
the Iowa finance authority, and the public employment relations  
board, providing for other properly related matters, including  
effective date and retroactive and other applicability



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provisions, respectfully make the following report:

1. That the Senate amendment, H-8425, to House File 2337, as amended, passed, and reprinted by the House, is amended to read as follows:

1. Page 1, line 6, by striking <FY 2012-2013> and inserting <GENERAL>

2. Page 1, line 49, by striking <933,764> and inserting <1,133,764>

3. Page 2, by striking lines 19 through 35.

4. By striking page 6, line 27, through page 7, line 9.

5. Page 8, line 1, by striking <936,345> and inserting <735,728>

6. Page 9, line 37, by striking <718,716> and inserting <574,716>

7. Page 9, line 41, by striking <261,639> and inserting <117,639>

8. Page 9, line 42, by striking <and small and micro businesses>

9. Page 10, by striking lines 6 through 46.

10. Page 11, line 20, by striking <1,148,426> and inserting <1,278,426>

11. Page 11, after line 25 by inserting:

<Sec. \_\_\_\_ . IOWA ECONOMIC EMERGENCY FUND —

APPROPRIATION. There is appropriated from the Iowa economic emergency fund created in section 8.55 to the department of management for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount for deposit in the rebuild Iowa infrastructure fund, notwithstanding section 8.55, subsection 1, and subsection 3, paragraph "a":

..... \$ 20,000,000

Sec. \_\_\_\_ . BUSINESS DEVELOPMENT FINANCIAL ASSISTANCE. There is appropriated from the rebuild Iowa infrastructure fund to the economic development authority for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following



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amount to be used for the purposes of providing assistance under the high quality jobs program as described in section 15.335B, if enacted by the 2012 regular session of the Eighty-fourth General Assembly, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 15,000,000

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. \_\_\_\_\_. REGENTS INNOVATION FUND.

1. There is appropriated from the rebuild Iowa infrastructure fund to the institutions of higher learning under the control of the state board of regents for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount to be used for the purposes provided in this section, notwithstanding section 8.57, subsection 6, paragraph "c":

..... \$ 3,000,000

Of the moneys appropriated pursuant to this section, thirty-five percent shall be allocated for Iowa state university, thirty-five percent shall be allocated for university of Iowa, and thirty percent shall be allocated for university of northern Iowa.

2. The institutions shall use moneys appropriated in this section for capacity building infrastructure in areas related to technology commercialization, marketing and business development efforts in areas related to technology commercialization, entrepreneurship, and business growth, and infrastructure projects and programs needed to assist in the implementation of activities under chapter 262B.

3. The institutions shall provide a one-to-one match of additional moneys for the activities funded with moneys



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appropriated under this section.

4. The state board of regents shall annually prepare a report for submission to the governor, the general assembly, and the legislative services agency regarding the activities, projects, and programs funded with moneys allocated under this section. The report shall be provided in an electronic format and shall include a list of metrics and criteria mutually agreed to in advance by the board of regents and the economic development authority. The metrics and criteria shall allow the governor's office and the general assembly to quantify and evaluate the progress of the board of regents institutions with regard to their activities, projects, and programs in the areas of technology commercialization, entrepreneurship, regional development, and market research.>

12. Page 12, line 1, by striking <3,548,440> and inserting <3,495,440>

13. Page 12, line 2, by striking <65.00> and inserting <64.00>

14. Page 12, by striking lines 8 through 11.

15. Page 12, line 17, by striking <3,102,044> and inserting <3,262,044>

16. Page 12, line 18, by striking <31.00> and inserting <30.00>

17. Page 12, line 37, by striking <9,671,352> and inserting <9,179,413>

18. By striking page 12, line 49, through page 13, line 2.

19. Page 13, line 28, by striking <1,217,084> and inserting <1,627,084>

20. Page 13, by striking lines 29 through 45.

21. Page 13, line 46, by striking <4.> and inserting <2.>

22. Page 15, by striking lines 24 through 44.

23. Page 15, before line 45 by inserting:

<Sec. \_\_\_\_\_. BATTLE FLAG RESTORATION FUND.

1. A battle flag restoration fund is created and established





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as a separate and distinct fund in the state treasury under the control of the department of cultural affairs. The moneys in the fund are appropriated to the department for purposes of continuing the project recommended by the Iowa battle flag advisory committee to stabilize the condition of the battle flag collection. Moneys in the fund shall not be subject to appropriation for any other purpose by the general assembly, but shall be used only for the purposes of the battle flag restoration fund.

2. The battle flag restoration fund shall consist of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the department for placement in the fund including any proceeds from insurance settlements received by the state involving battle flags loaned to other states or entities.

3. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.>

24. Page 16, by striking lines 3 through 6 and inserting:

<DIVISION \_\_\_\_

FILM OFFICE

Sec. \_\_\_\_\_. Section 2.48, subsection 3, paragraph c, subparagraph (5), Code 2011, is amended by striking the subparagraph.

Sec. \_\_\_\_\_. Section 15.119, subsection 2, paragraph b, Code Supplement 2011, is amended by striking the paragraph.

Sec. \_\_\_\_\_. Section 303.1, subsection 4, Code 2011, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. Film office.

Sec. \_\_\_\_\_. NEW SECTION. 303.95 **Film office establishment and purpose.**

The department shall establish and administer a film office. The purpose of the film office is to assist legitimate film, television, and video producers in the production of film, television, and video projects in the state and to increase the

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fiscal impact on the state's economy of film, television, and video projects produced in the state.

Sec. \_\_\_\_\_. Section 422.7, subsection 52, Code Supplement 2011, is amended by striking the subsection.

Sec. \_\_\_\_\_. Section 422.33, subsections 23 and 24, Code Supplement 2011, are amended by striking the subsections.

Sec. \_\_\_\_\_. Section 422.35, subsection 23, Code Supplement 2011, is amended by striking the subsection.

Sec. \_\_\_\_\_. Section 422.60, subsections 10 and 11, Code Supplement 2011, are amended by striking the subsections.

Sec. \_\_\_\_\_. Section 533.329, subsection 2, paragraphs f and g, Code Supplement 2011, are amended by striking the paragraphs.

Sec. \_\_\_\_\_. REPEAL. Sections 15.391, 15.392, 15.393, 422.11T, 422.11U, 432.12J, and 432.12K, Code and Code Supplement 2011, are repealed.

Sec. \_\_\_\_\_. APPLICABILITY. The sections of this division of this Act amending sections 2.48, 15.119, 422.7, 422.33, 422.35, 422.60, and 533.329, and repealing sections 15.391, 15.392, 15.393, 422.11T, 422.11U, 432.12J, and 432.12K do not apply to contracts or agreements entered into on or before the effective date of this division of this Act.

Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. The sections of this division of this Act amending sections 2.48, 15.119, 422.7, 422.33, 422.35, 422.60, and 533.329, and repealing sections 15.391, 15.392, 15.393, 422.11T, 422.11U, 432.12J, and 432.12K apply retroactively to January 1, 2012, for tax years beginning on or after that date.

Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.>>

\_\_\_\_\_. Title page, line 4, after <authority,> by inserting <the rebuild Iowa infrastructure fund,>

\_\_\_\_\_. Title page, line 5, after <board,> by inserting <eliminating the film tax credit program,>>

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25. By renumbering as necessary.

ON THE PART OF THE HOUSE:

ON THE PART OF THE SENATE:

---

JASON SCHULTZ, CHAIRPERSON

---

WILLIAM DOTZLER, CHAIRPERSON

---

CHIP BALTIMORE

---

LIZ MATHIS

---

CHRIS HALL

---

DR. JOE M. SENG

---

DAVE JACOBY

---

JEREMY TAYLOR



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CCH-2338

REPORT OF THE CONFERENCE COMMITTEE  
ON HOUSE FILE 2338

To the Speaker of the House of Representatives and the  
President of the Senate:

We, the undersigned members of the conference committee  
appointed to resolve the differences between the House of  
Representatives and the Senate on House File 2338, a bill for  
an Act relating to appropriations to the judicial branch,  
respectfully make the following report:

1. That the Senate recedes from its amendment, H-8318.
2. That House File 2338, as amended, passed, and reprinted  
by the House, is amended to read as follows:
  1. Page 1, line 22, by striking <154,111,822> and inserting  
<158,911,822>



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2. Page 1, line 29, by striking <2,300,000> and inserting  
<3,100,000>

ON THE PART OF THE HOUSE:

ON THE PART OF THE SENATE:

\_\_\_\_\_  
GARY WORTHAN, CHAIRPERSON

\_\_\_\_\_  
ROBERT M. HOGG, CHAIRPERSON

\_\_\_\_\_  
RICHARD ARNOLD

\_\_\_\_\_  
EUGENE S. FRAISE

\_\_\_\_\_  
LANCE HORBACH

\_\_\_\_\_  
TOM HANCOCK

\_\_\_\_\_  
TODD TAYLOR

\_\_\_\_\_  
STEVE KETTERING

\_\_\_\_\_  
MARY WOLFE



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CCS-2313

REPORT OF THE CONFERENCE COMMITTEE  
ON SENATE FILE 2313

To the President of the Senate and the Speaker of the House  
of Representatives:

We, the undersigned members of the conference committee  
appointed to resolve the differences between the Senate and  
House of Representatives on Senate File 2313, a bill for an  
Act relating to appropriations to certain state departments,  
agencies, funds, and certain other entities, providing for  
regulatory authority, and other properly related matters,  
respectfully make the following report:

1. That the House amendment, S-5114, to Senate File 2313,  
as amended, passed, and reprinted by the Senate, is amended to  
read as follows:

1. Page 1, line 10, after <balance> by inserting <in an  
amount not to exceed five hundred thousand dollars>

2. Page 1, line 32, by striking <3,901,735> and inserting  
<4,020,344>

3. Page 1, line 37, by striking <2,548,973> and inserting  
<2,676,460>



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4. Page 1, by striking lines 47 and 48 and inserting:

	<u>&lt;405,914</u>
..... FTEs	6.88
	<u>5.00&gt;</u>

5. Page 1, line 49, by striking <the I3 distribution account> and inserting <the I3 distribution account distribution to other governmental entities for the payment of services related to the integrated information for Iowa system>

6. Page 2, line 1, by striking <0> and inserting <3,277,946>

7. Page 2, before line 2 by inserting:

<Moneys appropriated in this lettered paragraph shall be separately accounted for in a distribution account and shall be distributed to other governmental entities based upon a formula established by the department to pay for services associated with the integrated information for Iowa system provided during the fiscal year by the department.>

8. Page 2, line 5, by striking <966,164> and inserting <995,535>

9. Page 2, line 50, by striking <878,755> and inserting <905,468>

10. Page 3, line 33, by striking <475,000> and inserting <490,000>

11. Page 3, line 47, by striking <1,184,387> and inserting <1,220,391>

12. Page 4, line 5, by striking <582,641> and inserting <600,353>

13. Page 5, line 30, by striking <legislation> and inserting <legislation House File 561>

14. Page 6, by striking lines 31 through 36 and inserting:

<1. GENERAL OFFICE

For salaries, support, maintenance, and miscellaneous purposes:

..... \$	<u>1,144,013</u>
	<u>2,194,914</u>

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.....	FTEs	22.88
		<u>20.00</u>

2. TERRACE HILL QUARTERS

For salaries, support, maintenance, and miscellaneous  
purposes for the governor's quarters at Terrace Hill, and for  
not more than the following full-time equivalent positions:

.....	\$	93,111
.....	FTEs	<u>2.00</u>

15. Page 7, line 2, by striking <290,000> and inserting  
<240,000>

16. Page 7, line 4, by striking <6.00> and inserting <4.00>

17. Page 7, line 18, by striking <200,022> and inserting  
<206,103>

18. Page 7, line 26, by striking <997,746> and inserting  
<1,028,077>

19. Page 7, line 34, by striking <993,685> and inserting  
<1,100,105>

20. Page 12, line 32, by striking <2,323,370> and inserting  
<2,393,998>

21. Page 13, line 15, by striking <17,138,488> and inserting  
<17,659,484>

22. Page 13, line 17, by striking <245.46> and inserting  
<309.00>

23. Page 14, line 4, by striking <2,810,159> and inserting  
<2,895,585>

24. Page 14, line 38, by striking <829,086> and inserting  
<854,289>

25. By striking page 15, line 37, through page 16, line 22,  
and inserting:

<Sec. \_\_\_\_\_. Section 80E.1, Code 2011, is amended by adding  
the following new subsection:

NEW SUBSECTION. 3. The governor's office of drug control  
policy shall be an independent office, located at the same  
location as the department of public safety. Administrative

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support services may be provided to the governor's office of  
drug control policy by the department of public safety.>

26. Page 16, by striking lines 28 through 32.

27. By renumbering as necessary.

ON THE PART OF THE SENATE:

ON THE PART OF THE HOUSE:

\_\_\_\_\_  
PAM JOCHUM, CHAIRPERSON

\_\_\_\_\_  
RALPH WATTS, CHAIRPERSON

\_\_\_\_\_  
MERLIN BARTZ

\_\_\_\_\_  
WALT ROGERS

\_\_\_\_\_  
TOD BOWMAN

\_\_\_\_\_  
JEFF SMITH

\_\_\_\_\_  
JEFF DANIELSON

\_\_\_\_\_  
JONI ERNST



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REPORT OF THE CONFERENCE COMMITTEE  
ON SENATE FILE 2316

To the President of the Senate and the Speaker of the House  
of Representatives:

We, the undersigned members of the conference committee  
appointed to resolve the differences between the Senate and  
House of Representatives on Senate File 2316, a bill for an  
Act relating to and making appropriations to state departments  
and agencies from the rebuild Iowa infrastructure fund, the  
technology reinvestment fund, the FY 2009 prison bonding fund,  
and the endowment for Iowa's health restricted capitals fund,  
providing for related matters, and including effective date and  
retroactive applicability provisions, respectfully make the  
following report:

1. That the House amendment, S-5148, to Senate File 2316,  
as amended, passed, and reprinted by the Senate, is amended to  
read as follows:

1. Page 1, line 15, by striking <20,000,000> and inserting  
<10,250,000>

2. Page 1, by striking line 16 and inserting:

<The moneys appropriated in this lettered paragraph shall be  
used according to the department's major maintenance project  
recommendation list submitted to the Governor's vertical  
infrastructure advisory committee.>

3. Page 1, line 28, by striking <2,000,000> and inserting  
<1,450,000>

4. Page 1, after line 28 by inserting:

<FY 2013-2014..... \$ 1,000,000>

5. Page 1, after line 34 by inserting:

<\_\_\_. ECONOMIC DEVELOPMENT AUTHORITY

a. For equal distribution to regional sports authority  
districts certified by the department pursuant to section  
15E.321, notwithstanding section 8.57, subsection 6, paragraph



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"c":

FY 2012-2013..... \$ 500,000

b. For administration and support of the world food prize including the Borlaug/Ruan scholar program, notwithstanding section 8.57, subsection 6, paragraph "c":

FY 2012-2013..... \$ 100,000

c. For roof repairs, restoration of the chapel, and improvements and interior renovation to develop a collections room at the museum at Fort Des Moines:

FY 2012-2013..... \$ 100,000

d. For remodeling, renovations, and related improvements of a kitchen at a year-round camp for persons with disabilities in a central Iowa city with a population between one hundred ninety-five thousand and two hundred five thousand as determined by the 2010 federal decennial census:

FY 2012-2013..... \$ 125,000

Moneys appropriated in this lettered paragraph are contingent upon receipt of matching funds.>

6. Page 1, line 36, by striking <a.>

7. Page 1, line 41, by striking <5,000,000> and inserting <6,000,000>

8. Page 1, by striking lines 42 through 46.

9. Page 2, by striking lines 2 through 21.

10. Page 2, line 23, before <For> by inserting <a.>

11. Page 2, line 29, by striking <5,459,000> and inserting <6,000,000>

12. Page 2, after line 29 by inserting:

<b. For the restoration and reconstruction of a dam in a county with a population between seventeen thousand seven hundred and seventeen thousand eight hundred as determined by the 2010 federal decennial census, for a lake with public access that has the support of a benefited lake district:

FY 2012-2013..... \$ 2,500,000

FY 2013-2014..... \$ 2,500,000

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The appropriations in this lettered paragraph are conditioned upon the completion of a plan by the benefited lake district to increase public access areas to the lake such as boat ramps and beaches, and to address wastewater treatment systems for homeowners in an effort to reduce pollution and increase the water quality at the lake. The plan shall be submitted to the general assembly no later than December 31, 2012.

c. For the administration of a water trails and low head dam public hazard statewide plan, including salaries, support, maintenance, and miscellaneous purposes, notwithstanding section 8.57, subsection 6, paragraph "c":

FY 2012-2013..... \$ 1,000,000>

13. Page 2, line 45, before <For> by inserting <a.>

14. Page 3, after line 4 by inserting:

<b. To Iowa state university of science and technology to the college of veterinary medicine for renovations and improvements of facilities:

FY 2012-2013..... \$ 400,000

c. To Iowa state university of science and technology to be used for the phase II expansion of a building at the science and technology research park:

FY 2012-2013..... \$ 1,000,000>

15. Page 3, line 32, by striking <500,000> and inserting <250,000>

16. Page 3, after line 32 by inserting:

<FY 2013-2014..... \$ 250,000>

17. Page 4, by striking lines 4 through 10 and inserting <following entities for the following fiscal years, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:>

18. Page 4, after line 13 by inserting: <FY 2012-2013>

19. Page 4, after line 20 by inserting: <FY 2012-2013>

20. Page 4, after line 35 by inserting:

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<\_\_\_\_. DEPARTMENT OF CULTURAL AFFAIRS

For providing a grant to the Grout museum district for the Sullivan brothers veterans museum for costs associated with the oral history exhibit including but not limited to exhibit information technology, computer connectivity, and interactive display technologies:

FY 2012-2013..... \$ 150,000

FY 2013-2014..... \$ 129,450>

21. Page 4, after line 41 by inserting: <FY 2012-2013>

22. Page 4, after line 49 by inserting: <FY 2012-2013>

23. Page 4, after line 50 by inserting:

<c. For maintenance and lease costs associated with connections for part III of the Iowa communications network:

FY 2013-2014..... \$ 2,727,000

24. Page 5, after line 4 by inserting: <FY 2012-2013>

25. Page 5, line 5, by striking <1,742,397> and inserting <1,714,307>

26. Page 5, after line 5 by inserting:

<\_\_\_\_. IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION

a. For a comprehensive audit and appraisal, notwithstanding section 8.57C, subsection 2:

FY 2012-2013..... \$ 500,000

Prior to the sale or lease of the Iowa communications network, the network shall conduct a comprehensive accounting to include a complete inventory of all the components included in the network including all fiber, switching stations, end user equipment, and individual components purchased by the network and the state of Iowa since the creation of the network. The network shall then conduct an appraisal of the network to determine the market value of the assets listed in the accounting as well as the market value of the network's current and future operations.

The inventory audit and appraisal shall be conducted by an independent professional firm selected through a competitive

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bidding process not associated with the network or any of its vendors. The selected firm shall be accredited in business valuation from either the American institute of certified public accountants or the American society of appraisers, be technology-based, and have extensive industry experience in telecommunications. In addition, the selected firm shall have experience and knowledge regarding the public markets for telecommunications companies, potential buyers of telecommunications networks, and specific attributes of telecommunications networks that impact their valuation.

b. For replacement of equipment for the Iowa communications network:

FY 2012-2013..... \$ 2,198,653

The commission may continue to enter into contracts pursuant to section 8D.13 for the replacement of equipment and for operations and maintenance costs of the network.

In addition to moneys appropriated in this lettered paragraph, the commission may use a financing agreement entered into by the treasurer of state in accordance with section 12.28 for the replacement of equipment for the network. For purposes of this lettered paragraph, the treasurer of state is not subject to the maximum principal limitation contained in section 12.28, subsection 6. Repayment of any amounts financed shall be made from receipts associated with fees charged for use of the network.>

27. Page 5, after line 9 by inserting: <FY 2012-2013>

28. Page 5, after line 12 by inserting: <FY 2012-2013>

29. Page 5, by striking line 18 and inserting:

<FY 2012-2013..... \$ 1,000,000

FY 2013-2014..... \$ 3,000,000>

30. By striking page 5, line 32, through page 6, line 1, and inserting:

<ENDOWMENT FOR IOWA'S HEALTH RESTRICTED CAPITALS FUND ACCOUNT

— APPROPRIATION



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Sec. \_\_\_\_\_. ENDOWMENT FOR IOWA'S HEALTH RESTRICTED CAPITALS FUND ACCOUNT. There is appropriated from the endowment for Iowa's health restricted capitals fund account to the department of corrections for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the construction project and one-time furniture, fixture, and equipment costs at Fort Madison:

..... \$ 2,000,000

Sec. \_\_\_\_\_. REVERSION. For purposes of section 8.33, unless specifically provided otherwise, unencumbered or unobligated moneys made from an appropriation in this division of this Act shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that ends one year after the end of the fiscal year for which the appropriation is made. However, if the project or projects for which such appropriation was made are completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that same fiscal year.>

31. Page 6, by striking lines 19 through 33 and inserting:

<MORTGAGE SERVICING SETTLEMENT FUND — APPROPRIATION —  
DEPARTMENT OF EDUCATION

Sec. \_\_\_\_\_. MORTGAGE SERVICING SETTLEMENT FUND. There is appropriated from the mortgage servicing settlement fund to the department of education for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For major renovation and major repair needs, including health, life, and fire safety needs and for compliance with the federal Americans with Disabilities Act, and for routine maintenance and building operations, for buildings and facilities under the purview of the community colleges:

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..... \$ 5,000,000>

32. Page 6, line 40, by striking <one year> and inserting  
<three years>

33. Page 7, line 28, by striking <paragraph b, is> and  
inserting <paragraphs a and b, are>

34. Page 7, after line 29 by inserting:

<a. For the construction project and one-time furniture,  
fixture, and equipment costs at Fort Madison:

FY 2011-2012.....	\$ 5,155,077
FY 2012-2013.....	\$ <del>18,269,124</del>
	<u>16,269,124</u>

FY 2013-2014.....	\$ 3,000,000>
-------------------	---------------

35. Page 7, line 37, by striking <paragraph c, is> and  
inserting <paragraphs c through f, are>

36. Page 8, after line 3 by inserting:

<d. For construction, renovation, and related improvements  
for phase II of the agricultural and biosystems engineering  
complex, including classrooms, laboratories, and offices at  
Iowa state university of science and technology:

FY 2011-2012.....	\$ 1,000,000
FY 2012-2013.....	\$ <del>20,800,000</del>
	<u>19,050,000</u>
FY 2013-2014.....	\$ <del>20,000,000</del>
	<u>21,750,000</u>

FY 2014-2015.....	\$ 18,600,000
-------------------	---------------

e. For the renovation and related improvements to the dental  
science building at the state university of Iowa including but  
not limited to renovation of clinical spaces and development of  
a multidisciplinary clinical area:

FY 2011-2012.....	\$ 1,000,000
FY 2012-2013.....	\$ <del>12,000,000</del>
	<u>10,250,000</u>
FY 2013-2014.....	\$ <del>8,000,000</del>
	<u>9,750,000</u>





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FY 2014-2015..... \$ 8,000,000

f. For renovation and related improvements for Bartlett hall at the university of northern Iowa including providing faculty offices, seminar rooms, and laboratories in the building and the associated demolition of Baker hall:

FY 2011-2012..... \$ 1,000,000

FY 2012-2013..... \$ ~~8,286,000~~  
7,786,000

FY 2013-2014..... \$ ~~9,767,000~~  
10,267,000

FY 2014-2015..... \$ 1,947,000>

37. Page 8, after line 12 by inserting:

<Sec. \_\_\_\_\_. 2011 Iowa Acts, chapter 133, section 3, subsection 5, paragraph a, is amended to read as follows:

a. To be used for medical contracts under the medical assistance program for technology upgrades necessary to support Medicaid claims and other health operations, worldwide HIPAA claims transactions and coding requirements, and the Iowa automated benefits calculation system:

FY 2011-2012..... \$ 3,494,176

FY 2012-2013..... \$ ~~4,667,600~~  
4,120,037

FY 2013-2014..... \$ ~~4,267,600~~  
4,815,163

FY 2014-2015..... \$ 1,945,684>

38. Page 8, line 14, by striking <paragraph a,>

39. Page 8, after line 15 by inserting:

<8. DEPARTMENT OF PUBLIC SAFETY>

40. Page 8, after line 50 by inserting:

<b. For transfer to a firefighter association in a county with a population between ninety thousand and ninety-five thousand as determined by the 2010 federal decennial census for a ~~driving simulator to enhance the association's emergency vehicle operations course~~ firearms training simulator:

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FY 2011-2012..... \$ 80,000>

41. Page 9, by striking lines 17 through 50 and inserting:

<(ii) (A) However Except as otherwise provided in subparagraph part (B), in lieu of the deposit in subparagraph subdivision (i), for the fiscal year years beginning July 1, 2010, July 1, 2011, and July 1, 2013, and for each fiscal year thereafter until the principal and interest on all bonds issued by the treasurer of state pursuant to section 12.87 are paid, as determined by the treasurer of state, sixty-four million seven hundred fifty thousand dollars of the excess moneys directed to be deposited in the rebuild Iowa infrastructure fund under subparagraph subdivision (i) shall be deposited in the general fund of the state.

(B) For the fiscal year beginning July 1, 2012 and ending June 30, 2013, thirty-eight million seven hundred fifty thousand dollars shall be deposited in the general fund of the state and the next twenty million dollars shall be deposited in the technology reinvestment fund.

Sec. \_\_\_\_\_. Section 8.57C, subsection 3, paragraph a, Code Supplement 2011, is amended to read as follows:

a. There is appropriated from the general fund of the state for the fiscal year beginning July 1, ~~2012~~ 2013, and for each subsequent fiscal year thereafter, the sum of seventeen million five hundred thousand dollars to the technology reinvestment fund.>

42. Page 10, before line 1 by inserting:

<Sec. \_\_\_\_\_. Section 15F.204, subsection 8, paragraph g, Code Supplement 2011, is amended to read as follows:

g. For ~~the~~ each fiscal year for the fiscal period beginning July 1, 2012, and ending June 30, ~~2013~~ 2014, the sum of five million dollars.>

43. Page 10, by striking lines 36 through 40 and inserting:

<\_\_\_\_\_. Title page, by striking lines 4 and 5 and inserting <endowment for Iowa's health restricted capitals fund, and the



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mortgage servicing settlement fund, providing for related>>

44. By renumbering as necessary.

ON THE PART OF THE SENATE:

ON THE PART OF THE HOUSE:

\_\_\_\_\_  
MATT McCOY, CHAIRPERSON

\_\_\_\_\_  
DAN HUSEMAN, CHAIRPERSON

\_\_\_\_\_  
DARYL BEALL

\_\_\_\_\_  
ROYD CHAMBERS

\_\_\_\_\_  
ROBERT E. DVORSKY

\_\_\_\_\_  
DENNIS COHOON

\_\_\_\_\_  
LEE HEIN

\_\_\_\_\_  
BRIAN QUIRK



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REPORT OF THE CONFERENCE COMMITTEE  
ON SENATE FILE 2321

To the President of the Senate and the Speaker of the House  
of Representatives:

We, the undersigned members of the conference committee  
appointed to resolve the differences between the Senate and  
House of Representatives on Senate File 2321, a bill for an Act  
relating to the funding of, the operation of, and appropriation  
of moneys to the college student aid commission, the department  
for the blind, the department of education, and the state  
board of regents, and providing effective date provisions,  
respectfully make the following report:



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1. That the House recedes from its amendment, S-5145.
2. That Senate File 2321, as amended, passed, and reprinted by the Senate, is amended to read as follows:
  1. By striking everything after the enacting clause and inserting:

<DIVISION I

FY 2012-2013 EDUCATION APPROPRIATIONS

Section 1. 2011 Iowa Acts, chapter 132, section 7, subsection 1, paragraph a, is amended to read as follows:

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,065,005
.....	FTEs	15.00

(1) The state board of regents shall submit a monthly financial report in a format agreed upon by the state board of regents office and the legislative services agency.

(2) The state board of regents may transfer moneys appropriated under paragraphs "b", "c", and "d", to any of the centers specified in paragraph "b", "c", or "d", if the board notifies, in writing, the general assembly and the legislative services agency of the amount, the date, and the purpose of the transfer.

MIDWESTERN HIGHER EDUCATION COMPACT

Sec. 2. 2011 Iowa Acts, chapter 132, section 32, is amended to read as follows:

SEC. 32. There is appropriated from the general fund of the state to the department of education for the following fiscal years, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

To be distributed to the midwestern higher education compact to pay Iowa's member state annual obligation:

FY 2010-2011.....	\$	39,000
FY 2011-2012.....	\$	100,000

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FY 2012-2013..... \$ 50,000  
100,000

Notwithstanding section 8.33, moneys appropriated in this section, to the department of education for purposes of paying Iowa's member state annual obligation under the midwestern higher education compact, that remain unencumbered or unobligated at the close of the fiscal year beginning July 1, 2010, and ending June 30, 2011, shall not revert but shall remain available for expenditure for the purpose designated until the close of the succeeding fiscal year.

DEPARTMENT FOR THE BLIND

Sec. 3. 2011 Iowa Acts, chapter 132, section 97, is amended to read as follows:

SEC. 97. ADMINISTRATION. There is appropriated from the general fund of the state to the department for the blind for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 845,908  
1,691,815  
..... FTEs 88.00

2. For costs associated with universal access to audio information over the phone on demand for blind and print handicapped Iowans:

..... \$ 25,000  
50,000

COLLEGE STUDENT AID COMMISSION

Sec. 4. 2011 Iowa Acts, chapter 132, section 98, is amended to read as follows:

SEC. 98. There is appropriated from the general fund of the state to the college student aid commission for the fiscal year



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beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. GENERAL ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	<del>116,472</del>
		<u>232,943</u>
.....	FTEs	3.95

2. STUDENT AID PROGRAMS

For payments to students for the Iowa grant program established in section 261.93:

.....	\$	<del>395,589</del>
		<u>791,177</u>

3. ~~DES MOINES UNIVERSITY~~ — HEALTH CARE PROFESSIONAL RECRUITMENT PROGRAM

For ~~forgivable loans to Iowa students attending Des Moines university — osteopathic medical center under the~~ forgivable loan repayment program for health care professionals established pursuant to section 261.19:

.....	\$	<del>162,987</del>
		<u>325,973</u>

4. NATIONAL GUARD EDUCATIONAL ASSISTANCE PROGRAM

For purposes of providing national guard educational assistance under the program established in section 261.86:

.....	\$	<del>1,593,117</del>
		<u>4,800,233</u>

5. TEACHER SHORTAGE LOAN FORGIVENESS PROGRAM

For the teacher shortage loan forgiveness program established in section 261.112:

.....	\$	<del>196,226</del>
		<u>392,452</u>

6. ALL IOWA OPPORTUNITY FOSTER CARE GRANT PROGRAM

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For purposes of the all Iowa opportunity foster care grant program established pursuant to section 261.6:

..... \$ 277,029  
554,057

7. ALL IOWA OPPORTUNITY SCHOLARSHIP PROGRAM

a. For purposes of the all Iowa opportunity scholarship program established pursuant to section 261.87:

..... \$ ~~1,120,427~~  
2,240,854

b. If the moneys appropriated by the general assembly to the college student aid commission for fiscal year 2012-2013 for purposes of the all Iowa opportunity scholarship program exceed \$500,000, "eligible institution" as defined in section 261.87, shall, during fiscal year 2012-2013, include accredited private institutions as defined in section 261.9, subsection 1.

8. REGISTERED NURSE AND NURSE EDUCATOR LOAN FORGIVENESS PROGRAM

a. For purposes of the registered nurse and nurse educator loan forgiveness program established pursuant to section 261.23:

..... \$ 40,426  
80,852

b. It is the intent of the general assembly that the commission continue to consider moneys allocated pursuant to this subsection as moneys that meet the state matching funds requirements of the federal leveraging educational assistance program and the federal supplemental leveraging educational assistance program established under the Higher Education Act of 1965, as amended.

9. BARBER AND COSMETOLOGY ARTS AND SCIENCES TUITION GRANT PROGRAM

For purposes of the barber and cosmetology arts and sciences tuition grant program established pursuant to section 261.18:

..... \$ ~~18,469~~

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36,938

10. SKILLED WORKFORCE SHORTAGE TUITION GRANTS

For purposes of providing skilled workforce shortage tuition grants in accordance with section 261.130:

..... \$ 5,000,000

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that begins July 1, 2014.

DEPARTMENT OF EDUCATION

Sec. 5. 2011 Iowa Acts, chapter 132, section 102, is amended to read as follows:

SEC. 102. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. GENERAL ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ ~~2,956,906~~  
5,913,812

..... FTEs 81.67

2. VOCATIONAL EDUCATION ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ ~~224,638~~  
598,197

..... FTEs 11.50

3. VOCATIONAL REHABILITATION SERVICES DIVISION

a. For salaries, support, maintenance, miscellaneous

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purposes, and for not more than the following full-time  
equivalent positions:

.....	\$	<del>2,481,584</del>
		<u>4,963,168</u>
.....	FTEs	255.00

For purposes of optimizing the job placement of individuals with disabilities, the division shall make its best efforts to work with community rehabilitation program providers for job placement and retention services for individuals with significant disabilities and most significant disabilities. By January 15, 2013, the division shall submit a written report to the general assembly on the division's outreach efforts with community rehabilitation program providers.

b. For matching funds for programs to enable persons with severe physical or mental disabilities to function more independently, including salaries and support, and for not more than the following full-time equivalent position:

.....	\$	<del>19,564</del>
		<u>39,128</u>
.....	FTEs	1.00

c. For the entrepreneurs with disabilities program established pursuant to section 259.4, subsection 9:

.....	\$	<del>72,768</del>
		<u>145,535</u>

d. For costs associated with centers for independent living:

.....	\$	<del>20,147</del>
		<u>40,294</u>

4. STATE LIBRARY

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	<del>604,810</del>
		<u>2,215,063</u>

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..... FTEs 17.00  
29.00

b. For the enrich Iowa program established under section  
256.57:

..... \$ 837,114  
2,174,228

~~5. LIBRARY SERVICE AREA SYSTEM~~

~~For state aid:~~

..... \$ 502,722

6. PUBLIC BROADCASTING DIVISION

For salaries, support, maintenance, capital expenditures,  
miscellaneous purposes, and for not more than the following  
full-time equivalent positions:

..... \$ 3,327,011  
6,969,021

..... FTEs 82.00

~~7. REGIONAL TELECOMMUNICATIONS COUNCILS~~

~~For state aid:~~

..... \$ 496,457

~~The regional telecommunications councils established  
in section 8D.5 shall use the moneys appropriated in this  
subsection to provide technical assistance for network  
classrooms, planning and troubleshooting for local area  
networks, scheduling of video sites, and other related support  
activities.~~

8. VOCATIONAL EDUCATION TO SECONDARY SCHOOLS

For reimbursement for vocational education expenditures made  
by secondary schools:

..... \$ 1,315,067  
2,630,134

Moneys appropriated in this subsection shall be used  
to reimburse school districts for vocational education  
expenditures made by secondary schools to meet the standards  
set in sections 256.11, 258.4, and 260C.14.



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9. SCHOOL FOOD SERVICE

For use as state matching funds for federal programs that shall be disbursed according to federal regulations, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	<del>1,088,399</del>
		<u>2,176,797</u>
.....	FTEs	20.58

10. EARLY CHILDHOOD IOWA FUND — GENERAL AID

For deposit in the school ready children grants account of the early childhood Iowa fund created in section 256I.11:

.....	\$	<del>2,693,057</del>
		<u>5,386,113</u>

a. From the moneys deposited in the school ready children grants account for the fiscal year beginning July 1, 2012, and ending June 30, 2013, not more than \$265,950 is allocated for the early childhood Iowa office and other technical assistance activities. The early childhood Iowa state board shall direct staff to work with the early childhood stakeholders alliance created in section 256I.12 to inventory technical assistance needs. Moneys allocated under this lettered paragraph may be used by the early childhood Iowa state board for the purpose of skills development and support for ongoing training of staff. However, except as otherwise provided in this subsection, moneys shall not be used for additional staff or for the reimbursement of staff.

b. As a condition of receiving moneys appropriated in this subsection, each early childhood Iowa area board shall report to the early childhood Iowa state board progress on each of the local indicators approved by the area board. Each early childhood Iowa area board must also submit an annual budget for the area's comprehensive school ready children grant developed for providing services for children from birth through five years of age, and provide other information



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specified by the early childhood Iowa state board, including budget amendments as needed. The early childhood Iowa state board shall establish a submission deadline for the annual budget and any budget amendments that allow a reasonable period of time for preparation by the early childhood Iowa area boards and for review and approval or request for modification of the materials by the early childhood Iowa state board. In addition, each early childhood Iowa area board must continue to comply with reporting provisions and other requirements adopted by the early childhood Iowa state board in implementing section 256I.9.

c. Of the amount appropriated in this subsection for deposit in the school ready children grants account of the early childhood Iowa fund, \$2,318,018 shall be used for efforts to improve the quality of early care, health, and education programs. Moneys allocated pursuant to this paragraph may be used for additional staff and for the reimbursement of staff. The early childhood Iowa state board may reserve a portion of the allocation, not to exceed \$88,650, for the technical assistance expenses of the early childhood Iowa state office, including the reimbursement of staff, and shall distribute the remainder to early childhood Iowa areas for local quality improvement efforts through a methodology identified by the early childhood Iowa state board to make the most productive use of the funding, which may include use of the distribution formula, grants, or other means.

d. Of the amount appropriated in this subsection for deposit in the school ready children grants account of the early childhood Iowa fund, \$825,030 shall be used for support of professional development and training activities for persons working in early care, health, and education by the early childhood Iowa state board in collaboration with the professional development component group of the early childhood Iowa stakeholders alliance maintained pursuant to

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section 256I.12, subsection 7, paragraph "b", and the early childhood Iowa area boards. Expenditures shall be limited to professional development and training activities agreed upon by the parties participating in the collaboration.

11. EARLY CHILDHOOD IOWA FUND — PRESCHOOL TUITION ASSISTANCE

a. For deposit in the school ready children grants account of the early childhood Iowa fund created in section 256I.11:  
..... \$ ~~2,714,439~~  
5,428,877

b. The amount appropriated in this subsection shall be used for early care, health, and education programs to assist low-income parents with tuition for preschool and other supportive services for children ages three, four, and five who are not attending kindergarten in order to increase the basic family income eligibility requirement to not more than 200 percent of the federal poverty level. In addition, if sufficient funding is available after addressing the needs of those who meet the basic income eligibility requirement, an early childhood Iowa area board may provide for eligibility for those with a family income in excess of the basic income eligibility requirement through use of a sliding scale or other copayment provisions.

12. EARLY CHILDHOOD IOWA FUND — FAMILY SUPPORT AND PARENT EDUCATION

a. For deposit in the school ready children grants account of the early childhood Iowa fund created in section 256I.11:  
..... \$ ~~6,182,217~~  
12,364,434

b. The amount appropriated in this subsection shall be used for family support services and parent education programs targeted to families expecting a child or with newborn and infant children through age five and shall be distributed using the distribution formula approved by the early childhood Iowa

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state board and shall be used by an early childhood Iowa area board only for family support services and parent education programs targeted to families expecting a child or with newborn and infant children through age five.

c. In order to implement the legislative intent stated in sections 135.106 and 256I.9, that priority for home visitation program funding be given to programs using evidence-based or promising models for home visitation, it is the intent of the general assembly to phase in the funding priority as follows:

(1) By July 1, 2013, 25 percent of state funds expended for home visiting programs are for evidence-based or promising program models.

(2) By July 1, 2014, 50 percent of state funds expended for home visiting programs are for evidence-based or promising program models.

(3) By July 1, 2015, 75 percent of state funds expended for home visiting programs are for evidence-based or promising program models.

(4) By July 1, 2016, 90 percent of state funds expended for home visiting programs are for evidence-based or promising program models. The remaining 10 percent of funds may be used for innovative program models that do not yet meet the definition of evidence-based or promising programs.

d. For the purposes of this subsection, unless the context requires:

(1) "Evidence-based program" means a program that is based on scientific evidence demonstrating that the program model is effective. An evidence-based program shall be reviewed on site and compared to program model standards by the model developer or the developer's designee at least every five years to ensure that the program continues to maintain fidelity with the program model. The program model shall have had demonstrated significant and sustained positive outcomes in an evaluation utilizing a well-designed and rigorous randomized

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controlled research design or a quasi-experimental research design, and the evaluation results shall have been published in a peer-reviewed journal.

(2) "Family support programs" includes group-based parent education or home visiting programs that are designed to strengthen protective factors, including parenting skills, increasing parental knowledge of child development, and increasing family functioning and problem solving skills. A family support program may be used as an early intervention strategy to improve birth outcomes, parental knowledge, family economic success, the home learning environment, family and child involvement with others, and coordination with other community resources. A family support program may have a specific focus on preventing child maltreatment or ensuring children are safe, healthy, and ready to succeed in school.

(3) "Promising program" means a program that meets all of the following requirements:

(a) The program conforms to a clear, consistent family support model that has been in existence for at least three years.

(b) The program is grounded in relevant empirically-based knowledge.

(c) The program is linked to program-determined outcomes.

(d) The program is associated with a national or state organization that either has comprehensive program standards that ensure high-quality service delivery and continuous program quality improvement or the program model has demonstrated through the program's benchmark outcomes that the program has achieved significant positive outcomes equivalent to those achieved by program models with published significant and sustained results in a peer-reviewed journal.

(e) The program has been awarded the Iowa family support credential and has been reviewed on site at least every five years to ensure the program's adherence to the Iowa family





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support standards approved by the early childhood Iowa state board created in section 256I.3 or a comparable set of standards. The on-site review is completed by an independent review team that is not associated with the program or the organization administering the program.

e. (1) The data reporting requirements adopted by the early childhood Iowa state board pursuant to section 256I.4 for the family support programs targeted to families expecting a child or with newborn and infant children through age five and funded through the board shall require the programs to participate in a state administered internet-based data collection system by July 1, 2013. The data reporting requirements shall be developed in a manner to provide for compatibility with local data collection systems. The state board's annual report submitted each January to the governor and general assembly under section 256I.4 shall include family support program outcomes beginning with the January 2015 report.

(2) The data on families served that is collected by the family support programs funded through the early childhood Iowa initiative shall include but is not limited to basic demographic information, services received, funding utilized, and program outcomes for the children and families served. The state board shall adopt performance benchmarks for the family support programs and shall revise the Iowa family support credential to incorporate the performance benchmarks on or before January 1, 2014.

(3) The state board shall identify minimum competency standards for the employees and supervisors of family support programs funded through the early childhood Iowa initiative. The state board shall submit recommendations concerning the standards to the governor and general assembly on or before January 1, 2014.

(4) On or before January 1, 2013, the state board shall adopt criminal and child abuse record check requirements for

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the employees and supervisors of family support programs funded through the early childhood Iowa initiative.

(5) The state board shall develop a plan to implement a coordinated intake and referral process for publicly funded family support programs in order to engage the families expecting a child or with newborn and infant children through age five in all communities in the state by July 1, 2015.

13. BIRTH TO AGE THREE SERVICES

For expansion of the federal Individuals with Disabilities Education Improvement Act of 2004, Pub. L. No. 108-446, as amended to January 1, 2012, birth through age three services due to increased numbers of children qualifying for those services:

..... \$ ~~860,700~~  
1,721,400

From the moneys appropriated in this subsection, \$383,769 shall be allocated to the child health specialty clinic at the state university of Iowa to provide additional support for infants and toddlers who are born prematurely, drug-exposed, or medically fragile.

14. TEXTBOOKS OF NONPUBLIC SCHOOL PUPILS

To provide moneys for costs of providing textbooks to each resident pupil who attends a nonpublic school as authorized by section 301.1:

..... \$ ~~280,107~~  
560,214

Funding under this subsection is limited to \$20 per pupil and shall not exceed the comparable services offered to resident public school pupils.

15. CORE CURRICULUM AND CAREER INFORMATION AND DECISION-MAKING SYSTEM

For purposes of implementing the statewide core curriculum for school districts and accredited nonpublic schools and a state-designated career information and decision-making system:

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..... \$ 500,000  
1,000,000

16. STUDENT ACHIEVEMENT AND TEACHER QUALITY PROGRAM

For purposes of the student achievement and teacher quality program established pursuant to chapter 284, and for not more than the following full-time equivalent positions:

..... \$ 2,392,500  
4,785,000  
..... FTEs 2.00

17. JOBS FOR AMERICA'S GRADUATES

For school districts to provide direct services to the most at-risk senior high school students enrolled in school districts through direct intervention by a jobs for America's graduates specialist:

..... \$ 20,000  
540,000

18. COMMUNITY COLLEGES

a. For general state financial aid to merged areas as defined in section 260C.2 in accordance with chapters 258 and 260C:

..... \$ 81,887,324  
177,274,647

~~The funds appropriated in this subsection shall be allocated pursuant to the formula established in section 260C.18C.~~

Notwithstanding the allocation formula in section 260C.18C, the funds appropriated in this subsection shall be allocated as follows:

(1) Merged Area I.....	\$ 8,815,803
(2) Merged Area II.....	\$ 9,196,145
(3) Merged Area III.....	\$ 8,473,561
(4) Merged Area IV.....	\$ 4,164,164
(5) Merged Area V.....	\$ 9,859,104
(6) Merged Area VI.....	\$ 8,113,382
(7) Merged Area VII.....	\$ 12,193,896



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(8)	Merged Area IX.....	\$ 15,262,118
(9)	Merged Area X.....	\$ 27,387,664
(10)	Merged Area XI.....	\$ 28,219,579
(11)	Merged Area XII.....	\$ 9,971,081
(12)	Merged Area XIII.....	\$ 10,444,823
(13)	Merged Area XIV.....	\$ 4,235,051
(14)	Merged Area XV.....	\$ 13,275,582
(15)	Merged Area XVI.....	\$ 7,662,694

b. For distribution to community colleges to supplement  
faculty salaries:

.....	\$	250,000
		<u>500,000</u>

c. For deposit in the workforce training and economic  
development funds created pursuant to section 260C.18A:

.....	\$	2,500,000
		<u>8,000,000</u>

d. For deposit in the gap tuition assistance fund  
established pursuant to section 260I.2, subsection 2:

.....	\$	2,000,000
-------	----	-----------

STATE BOARD OF REGENTS

Sec. 6. 2011 Iowa Acts, chapter 132, section 103, is amended  
to read as follows:

SEC. 103. There is appropriated from the general fund of  
the state to the state board of regents for the fiscal year  
beginning July 1, 2012, and ending June 30, 2013, the following  
amounts, or so much thereof as is necessary, to be used for the  
purposes designated:

1. OFFICE OF STATE BOARD OF REGENTS

a. For salaries, support, maintenance, miscellaneous  
purposes, and for not more than the following full-time  
equivalent positions:

.....	\$	532,503
		<u>1,065,005</u>
.....	FTEs	15.00

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The state board of regents shall submit a monthly financial report in a format agreed upon by the state board of regents office and the legislative services agency. The report submitted in December 2012 shall include the five-year graduation rates for the regents universities.

b. For moneys to be allocated to the southwest Iowa graduate studies center:

..... \$ ~~43,736~~  
87,471

c. For moneys to be allocated to the siouxland interstate metropolitan planning council for the tristate graduate center under section 262.9, subsection 22:

..... \$ ~~33,301~~  
66,601

d. For moneys to be allocated to the quad-cities graduate studies center:

..... \$ ~~64,888~~  
129,776

The board may transfer moneys appropriated under paragraph "b", "c", or "d", of this subsection to any of the other centers specified in paragraph "b", "c", or "d", if the board notifies, in writing, the general assembly and the legislative services agency of the amount, the date, and the purpose of the transfer.

e. For moneys to be distributed to Iowa public radio for public radio operations:

..... \$ ~~195,784~~  
391,568

2. STATE UNIVERSITY OF IOWA

a. General university, including lakeside laboratory

For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$~~104,868,656~~



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216,414,572

..... FTEs 5,058.55

b. Oakdale campus

For salaries, support, maintenance, miscellaneous purposes,  
and for not more than the following full-time equivalent  
positions:

..... \$ 1,093,279

2,186,558

..... FTEs 38.25

c. State hygienic laboratory

For salaries, support, maintenance, miscellaneous purposes,  
and for not more than the following full-time equivalent  
positions:

..... \$ 1,768,358

3,536,716

..... FTEs 102.50

d. Family practice program

For allocation by the dean of the college of medicine, with  
approval of the advisory board, to qualified participants  
to carry out the provisions of chapter 148D for the family  
practice program, including salaries and support, and for not  
more than the following full-time equivalent positions:

..... \$ 894,133

1,788,265

..... FTEs 190.40

e. Child health care services

For specialized child health care services, including  
childhood cancer diagnostic and treatment network programs,  
rural comprehensive care for hemophilia patients, and the  
Iowa high-risk infant follow-up program, including salaries  
and support, and for not more than the following full-time  
equivalent positions:

..... \$ 329,728

659,456

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..... FTEs 57.97  
f. Statewide cancer registry  
For the statewide cancer registry, and for not more than the  
following full-time equivalent positions:  
..... \$ 74,526  
149,051  
..... FTEs 2.10  
g. Substance abuse consortium  
For moneys to be allocated to the Iowa consortium for  
substance abuse research and evaluation, and for not more than  
the following full-time equivalent position:  
..... \$ 27,765  
55,529  
..... FTEs 1.00  
h. Center for biocatalysis  
For the center for biocatalysis, and for not more than the  
following full-time equivalent positions:  
..... \$ 361,864  
723,727  
..... FTEs 6.28  
i. Primary health care initiative  
For the primary health care initiative in the college  
of medicine, and for not more than the following full-time  
equivalent positions:  
..... \$ 324,465  
648,930  
..... FTEs 5.89  
From the moneys appropriated in this lettered paragraph,  
\$254,889 shall be allocated to the department of family  
practice at the state university of Iowa college of medicine  
for family practice faculty and support staff.  
j. Birth defects registry  
For the birth defects registry, and for not more than the  
following full-time equivalent position:



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..... \$ 19,144  
38,288  
..... FTEs 1.00  
k. Larned A. Waterman Iowa nonprofit resource center  
For the Larned A. Waterman Iowa nonprofit resource center,  
and for not more than the following full-time equivalent  
positions:  
..... \$ 81,270  
162,539  
..... FTEs 2.75  
l. Iowa online advanced placement academy science,  
technology, engineering, and mathematics initiative  
For the establishment of the Iowa online advanced placement  
academy science, technology, engineering, and mathematics  
initiative:  
..... \$ 240,925  
481,849  
m. For the Iowa flood center for use by the university's  
college of engineering pursuant to section 466C.1:  
..... \$ 1,500,000  
3. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY  
a. General university  
For salaries, support, maintenance, equipment, miscellaneous  
purposes, and for not more than the following full-time  
equivalent positions:  
..... \$ 82,172,599  
169,577,342  
..... FTEs 3,647.42  
b. Agricultural experiment station  
For the agricultural experiment station salaries, support,  
maintenance, miscellaneous purposes, and for not more than the  
following full-time equivalent positions:  
..... \$ 14,055,939  
28,111,877

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..... FTEs 546.98

c. Cooperative extension service in agriculture and home economics

For the cooperative extension service in agriculture and home economics salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ ~~8,968,361~~  
17,936,722  
..... FTEs 383.34

d. Leopold center

For agricultural research grants at Iowa state university of science and technology under section 266.39B, and for not more than the following full-time equivalent positions:

..... \$ ~~198,709~~  
397,417  
..... FTEs 11.25

e. Livestock disease research

For deposit in and the use of the livestock disease research fund under section 267.8:

..... \$ ~~86,423~~  
172,845

4. UNIVERSITY OF NORTHERN IOWA

a. General university

For salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ ~~37,367,293~~  
81,113,859  
..... FTEs 1,447.50

b. Recycling and reuse center

For purposes of the recycling and reuse center, and for not more than the following full-time equivalent positions:

..... \$ ~~87,628~~

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	<u>175,256</u>
..... FTEs	3.00
c. Science, technology, engineering, and mathematics (STEM) collaborative initiative	
For purposes of establishing a science, technology, engineering, and mathematics (STEM) collaborative initiative, and for not more than the following full-time equivalent positions:	
..... \$	<u>867,328</u>
	<u>4,700,000</u>
..... FTEs	6.20

(1) From the moneys appropriated in this lettered paragraph, up to \$282,000 shall be allocated for salaries, staffing, and institutional support. The remainder of the moneys appropriated in this lettered paragraph shall be expended only to support activities directly related to recruitment of kindergarten through grade 12 mathematics and science teachers and for ongoing mathematics and science programming for students enrolled in kindergarten through grade 12.

(2) The university of northern Iowa shall work with the community colleges to develop STEM professional development programs for community college instructors and STEM curriculum development.

d. Real estate education program

For purposes of the real estate education program, and for not more than the following full-time equivalent position:

..... \$	<u>62,651</u>
	<u>125,302</u>
..... FTEs	1.00

5. STATE SCHOOL FOR THE DEAF

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:



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..... \$ ~~4,339,982~~  
8,853,563  
..... FTEs 126.60

6. IOWA BRAILLE AND SIGHT SAVING SCHOOL

For salaries, support, maintenance, miscellaneous purposes,  
and for not more than the following full-time equivalent  
positions:

..... \$ ~~1,809,466~~  
3,691,310  
..... FTEs 62.87

7. TUITION AND TRANSPORTATION COSTS

For payment to local school boards for the tuition and  
transportation costs of students residing in the Iowa braille  
and sight saving school and the state school for the deaf  
pursuant to section 262.43 and for payment of certain clothing,  
prescription, and transportation costs for students at these  
schools pursuant to section 270.5:

..... \$ ~~5,882~~  
11,763

8. LICENSED CLASSROOM TEACHERS

For distribution at the Iowa braille and sight saving school  
and the Iowa school for the deaf based upon the average yearly  
enrollment at each school as determined by the state board of  
regents:

..... \$ ~~41,025~~  
82,049

Sec. 7. Section 235A.15, subsection 2, paragraph e, Code  
Supplement 2011, is amended by adding the following new  
subparagraph:

NEW SUBPARAGRAPH. (22) To the administrator of a family  
support program receiving public funds, if the data relates to  
a record check of an employee working directly with families.

Sec. 8. Section 256.86, Code 2011, is amended to read as  
follows:

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**256.86 Competition with private sector.**

1. It is the intent of the general assembly that the division shall not compete with the private sector by actively seeking revenue from its operations except as provided in this chapter.

2. a. The division may receive revenue for providing services, products, and usage of facilities and equipment if one or more of the following conditions are met:

(1) The service, product, or usage is not reasonably available in the private sector.

(2) The division can provide the service, product, or usage at a time, price, location, or terms that are not reasonably available through the private sector.

(3) The service, product, or usage is deemed by the division to be related to public service or the educational mission of the division.

b. The division may charge reasonable fees for providing services, products, and usage of facilities and equipment in accordance with paragraph "a", including but not limited to a reasonable equipment and facilities usage fee.

c. Fees charged in accordance with this subsection shall be deposited in the capital equipment replacement revolving fund created pursuant to section 256.87.

3. It is not the intent of the general assembly to prohibit the receipt of charitable contributions as defined by section 170 of the Internal Revenue Code.

4. The board, the governor, or the administrator may apply for and accept federal or nonfederal gifts, loans, or grants of funds and may use the funds for projects under this chapter.

Sec. 9. Section 256.87, Code 2011, is amended to read as follows:

**256.87 Costs and fees — capital equipment replacement revolving fund.**

~~1. The board may provide noncommercial production or~~



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~~reproduction services for other public agencies, nonprofit corporations or associations organized under state law, or other nonprofit organizations, and may collect the costs of providing the services from the public agency, corporation, association, or organization, plus a separate equipment usage fee in an amount determined by the board and based upon the equipment used. The costs shall be deposited to the credit of the board. The separate equipment usage fee shall be deposited in the capital equipment replacement revolving fund.~~

~~2. The board may establish a capital equipment replacement revolving fund into which shall be deposited equipment usage fees collected under subsection 1 and funds from other sources designated for deposit in the A capital equipment replacement revolving fund is created in the state treasury. The revolving fund shall be administered by the board and shall consist of moneys collected by the division as fees and any other moneys obtained or accepted by the division for deposit in the revolving fund.~~

~~2. The board may expend moneys from the capital equipment replacement revolving fund to update facilities and purchase technical equipment for operating the educational radio and television facility its operations.~~

~~3. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the revolving fund shall be credited to the revolving fund. Notwithstanding section 8.33, moneys in the revolving fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any other fund but shall remain available in the revolving fund for the purposes designated.~~

Sec. 10. Section 261.19, subsection 3, Code Supplement 2011, is amended to read as follows:

3. A health care professional recruitment ~~revolving~~ fund is created in the state treasury as a separate fund under the control of the commission for deposit of moneys appropriated

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to or received by the commission for use under the program.  
~~The commission shall deposit payments made by health care professional recruitment program recipients and the proceeds from the sale of osteopathic loans awarded pursuant to section 261.19, subsection 2, paragraph "b", Code 2011, into the health care professional recruitment revolving fund. Moneys credited to the fund shall be used to supplement moneys appropriated for the health care professional recruitment program, for loan repayment in accordance with this section, and to pay for loan or interest repayment defaults by program recipients. Notwithstanding section 8.33, any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state but shall remain in the fund and be continuously available for loan forgiveness under the program. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.~~

Sec. 11. Section 261.25, subsections 1 and 2, Code Supplement 2011, are amended to read as follows:

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of ~~forty-three~~ forty-five million five hundred thirteen thousand four hundred forty-eight dollars for tuition grants.

2. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of ~~four~~ two million dollars for tuition grants for students attending for-profit accredited private institutions located in Iowa. A for-profit institution which, effective March 9, 2005, or effective January 8, 2010, purchased an accredited private institution that was exempt from taxation under section 501(c) of the Internal Revenue Code, shall be an eligible institution under the tuition grant program. For purposes of the tuition grant program, "*for-profit accredited private institution*" means an accredited private institution which is not exempt from

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taxation under section 501(c)(3) of the Internal Revenue Code but which otherwise meets the requirements of section 261.9, subsection 1, paragraph "b", and whose students were eligible to receive tuition grants in the fiscal year beginning July 1, 2003.

Sec. 12. NEW SECTION. **268.7 Science, technology, engineering, and mathematics collaborative initiative.**

1. A science, technology, engineering, and mathematics collaborative initiative is established at the university of northern Iowa for purposes of supporting activities directly related to recruitment of prekindergarten through grade twelve mathematics and science teachers for ongoing mathematics and science programming for students enrolled in prekindergarten through grade twelve.

2. The collaborative initiative shall prioritize student interest in achievement in science, technology, engineering, and mathematics; reach every student and teacher in every school district in the state; identify, recruit, prepare, and support the best mathematics and science teachers; and sustain exemplary programs through the university's Iowa mathematics and science education partnership. The university shall collaborate with the community colleges to develop science, technology, engineering, and mathematics professional development programs for community college instructors and for purposes of science, technology, engineering, and mathematics curricula development.

3. Subject to an appropriation of funds by the general assembly, the initiative shall administer the following:

a. Regional science, technology, engineering, and mathematics networks for Iowa, the purpose of which is to equalize science, technology, engineering, and mathematics education enrichment opportunities available to learners statewide. The initiative shall establish six geographically similar regional science, technology, engineering, and



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mathematics networks across Iowa that complement and leverage existing resources, including but not limited to extension service assets, area education agencies, state accredited postsecondary institutions, informal educational centers, school districts, economic development zones, and existing public and private science, technology, engineering, and mathematics partnerships. Each network shall be managed by a highly qualified science, technology, engineering, and mathematics advocate positioned at a network hub to be determined through a competitive application process. Oversight for each regional network shall be provided by a regional advisory board. Members of the board shall be appointed by the governor. The membership shall represent prekindergarten through grade twelve school districts and schools, and higher education, business, nonprofit organizations, youth agencies, and other appropriate stakeholders.

*b.* A focused array of the best science, technology, engineering, and mathematics enrichment opportunities, selected through a competitive application process, that can be expanded to meet future needs. A limited, focused list of selected exemplary programs shall be made available to each regional network.

*c.* Statewide science, technology, engineering, and mathematics programming designed to increase participation of students and teachers in successful learning experiences; to increase the number of science, technology, engineering, and mathematics-related teaching majors offered by the state's universities; to elevate public awareness of the opportunities; and to increase collaboration and partnerships.

4. The initiative shall evaluate the effectiveness of programming to document best practices.

Sec. 13. Section 284.13, subsection 1, paragraphs a, b, c, and d, Code Supplement 2011, are amended to read as follows:

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a. For the fiscal year beginning July 1, ~~2011~~ 2012, and ending June 30, ~~2012~~ 2013, to the department of education, the amount of ~~six~~ five hundred eighty-five thousand dollars for the issuance of national board certification awards in accordance with section 256.44. Of the amount allocated under this paragraph, not less than eighty-five thousand dollars shall be used to administer the ambassador to education position in accordance with section 256.45.

b. For the fiscal year beginning July 1, ~~2011~~ 2012, and ending June 30, ~~2012~~ 2013, an amount up to two million ~~three~~ four hundred ~~ninety-five~~ sixty-three thousand ~~one~~ five hundred ~~fifty-seven~~ ninety dollars for first-year and second-year beginning teachers, to the department of education for distribution to school districts and area education agencies for purposes of the beginning teacher mentoring and induction programs. A school district or area education agency shall receive one thousand three hundred dollars per beginning teacher participating in the program. If the funds appropriated for the program are insufficient to pay mentors, school districts, and area education agencies as provided in this paragraph, the department shall prorate the amount distributed to school districts and area education agencies based upon the amount appropriated. Moneys received by a school district or area education agency pursuant to this paragraph shall be expended to provide each mentor with an award of five hundred dollars per semester, at a minimum, for participation in the school district's or area education agency's beginning teacher mentoring and induction program; to implement the plan; and to pay any applicable costs of the employer's share of contributions to federal social security and the Iowa public employees' retirement system or a pension and annuity retirement system established under chapter 294, for such amounts paid by the district or area education agency.

c. For the fiscal year beginning July 1, ~~2011~~ 2012,

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and ending June 30, ~~2012~~ 2013, up to six hundred thousand dollars to the department for purposes of implementing the professional development program requirements of section 284.6, assistance in developing model evidence for teacher quality committees established pursuant to section 284.4, subsection 1, paragraph "c", and the evaluator training program in section 284.10. A portion of the funds allocated to the department for purposes of this paragraph may be used by the department for administrative purposes and for not more than four full-time equivalent positions.

d. For the fiscal year beginning July 1, ~~2011~~ 2012, and ending June 30, ~~2012~~ 2013, an amount up to one million one hundred ~~four~~ thirty-six thousand ~~eight~~ four hundred ~~forty-three~~ ten dollars to the department for the establishment of teacher development academies in accordance with section 284.6, subsection 10. A portion of the funds allocated to the department for purposes of this paragraph may be used for administrative purposes.

Sec. 14. REPEAL. 2011 Iowa Acts, chapter 132, section 99, is repealed.

Sec. 15. EFFECTIVE UPON ENACTMENT. The section of this division of this Act amending 2011 Iowa Acts, chapter 132, section 7, subsection 1, paragraph a, being deemed of immediate importance, takes effect upon enactment.

DIVISION II

WORKER TRAINING PROGRAMS IN COMMUNITY COLLEGES

Sec. 16. Section 84A.6, Code Supplement 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The department of workforce development, in consultation with the college student aid commission, shall issue a quarterly report identifying industries in which the department finds a shortage of skilled workers in this state for the purposes of the skilled workforce shortage tuition grant program established in section 261.130.

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Sec. 17. Section 260C.18A, subsection 2, Code Supplement 2011, is amended by adding the following new paragraph:

**NEW PARAGRAPH.** *j.* Development and implementation of the national career readiness certificate and the skills certification system endorsed by the national association of manufacturers.

Sec. 18. Section 260I.2, Code Supplement 2011, is amended to read as follows:

**260I.2 Gap tuition assistance program — fund.**

1. A gap tuition assistance program is established to provide funding to community colleges for need-based tuition assistance to applicants to enable completion of continuing education certificate training programs for in-demand occupations.

2. a. There is established for the community colleges a gap tuition assistance fund in the state treasury to be administered by the department of education. The funds in the gap tuition assistance fund are appropriated to the department of education for the gap tuition assistance program.

b. The aggregate total of grants awarded from the gap tuition assistance fund during a fiscal year shall not be more than two million dollars.

c. Moneys in the fund shall be allocated pursuant to the formula established in section 260C.18C. Notwithstanding section 8.33, moneys in the fund at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure for the purpose designated for subsequent fiscal years. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

Sec. 19. Section 260I.7, Code Supplement 2011, is amended to read as follows:

**260I.7 Initial assessment.**

An applicant for tuition assistance under this chapter shall



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complete an initial assessment administered by the community college receiving the application to determine the applicant's readiness to complete an eligible certificate program. The assessment shall include assessments for completion of a national career readiness certificate, including the areas of reading for information, applied mathematics, and locating information. ~~An applicant must achieve a bronze-level certificate or the minimum score required for an eligible certificate program, whichever is higher, in order to be approved for tuition assistance.~~ An applicant shall complete any additional assessments and occupational research required by an eligible certificate program.

Sec. 20. NEW SECTION. **261.130 Skilled workforce shortage tuition grant program.**

1. A skilled workforce shortage tuition grant may be awarded to any resident of Iowa who is admitted and in attendance as a full-time or part-time student in a career-technical or career option program to pursue an associate's degree or other training at a community college in the state, and who establishes financial need.

2. Skilled workforce shortage tuition grants shall be awarded only to students pursuing a career-technical or career option program in an industry identified as having a shortage of skilled workers by a community college after conducting a regional skills gap analysis or by the department of workforce development in the department's most recent quarterly report pursuant to section 84A.6, subsection 4.

3. The amount of a skilled workforce shortage tuition grant shall not exceed the lesser of one-half of a student's tuition and fees for an approved career-technical or career option program or the amount of the student's established financial need.

4. All classes identified by the community college as required for completion of the student's approved



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career-technical or career option program shall be considered a part of the student's career-technical or career option program for the purpose of determining the student's eligibility for a grant. Notwithstanding subsection 5, if a student is making satisfactory academic progress but the student cannot complete a career-technical or career option program in the time frame allowed for a student to receive a skilled workforce shortage tuition grant as provided in subsection 5 because additional classes are required to complete the program, the student may continue to receive a skilled workforce shortage tuition grant for not more than one additional enrollment period.

5. *a.* A qualified full-time student may receive skilled workforce shortage tuition grants for not more than four semesters or the trimester or quarter equivalent of two full years of study. A qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent may receive skilled workforce shortage tuition grants for not more than eight semesters or the trimester or quarter equivalent of two full years of full-time study.

*b.* However, if a student resumes study after at least a two-year absence, the student may again be eligible for the specified amount of time, except that the student shall not receive assistance for courses for which credit was previously received.

6. A skilled workforce shortage tuition grant shall be awarded on an annual basis, requiring reapplication by the student for each year. Payments under the grant shall be allocated equally among the semesters or quarters of the year upon certification by the community college that the student is in full-time or part-time attendance in a career-technical or career option program consistent with the requirements of this section. If the student discontinues attendance before the end of any term after receiving payment of the grant, the

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entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the community college to the state.

7. If a student receives financial aid under any other program, the full amount of that financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period.

8. The commission shall administer this program and shall:

a. Provide application forms for distribution to students by Iowa high schools and community colleges.

b. Adopt rules for approving career-technical or career option programs in industries identified by the department of workforce development pursuant to section 84A.6, subsection 4; determining financial need; defining residence for the purposes of this section; processing and approving applications for grants; and determining priority for grants.

c. Approve and award grants on an annual basis.

d. Make an annual report to the governor and general assembly. The report shall include the number of students receiving assistance and the industries identified by the community colleges and by the department of workforce development pursuant to section 84A.6, subsection 4, for which students were admitted to a career-technical or career option program.

9. Each applicant, in accordance with the rules established by the commission, shall:

a. Complete and file an application for a skilled workforce shortage tuition grant.

b. Be responsible for the submission of the financial information required for evaluation of the applicant's need for a grant, on forms determined by the commission.

c. Report promptly to the commission any information requested.



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d. Submit a new application for reevaluation of the applicant's eligibility to receive a second-year renewal of the grant.>

ON THE PART OF THE SENATE:

ON THE PART OF THE HOUSE:

\_\_\_\_\_  
BRIAN SCHOENJAHN, CHAIRPERSON

\_\_\_\_\_  
CECIL DOLECHECK, CHAIRPERSON

\_\_\_\_\_  
WALLY E. HORN

\_\_\_\_\_  
PETER COWNIE

\_\_\_\_\_  
HERMAN C. QUIRMBACH

\_\_\_\_\_  
RON JORGENSEN

\_\_\_\_\_  
NATE WILLEMS

\_\_\_\_\_  
CINDY WINCKLER



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House File 2473

H-8514

- 1 Amend House File 2473 as follows:  
2 1. Page 28, after line 1 by inserting:  
3 <Sec. \_\_\_\_\_. NEW SECTION. 15.113 Tax lien and  
4 delinquency search requirement.  
5 Before authorizing tax incentives or disbursing  
6 moneys to a person or business applying for assistance  
7 under any of the authority's programs, the authority  
8 shall conduct a search for outstanding state or  
9 local tax liability, tax liens, or other related  
10 delinquencies. The authority shall not authorize tax  
11 incentives or disburse moneys if the result of the  
12 search shows that the applicant is currently delinquent  
13 in the payment of state or local taxes or is otherwise  
14 in substantial noncompliance with Iowa tax law.>  
15 2. By renumbering as necessary.

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HAGER of Allamakee





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House File 2473

H-8515

- 1 Amend House File 2473 as follows:
- 2 1. Page 12, by striking lines 2 through 20.
- 3 2. By renumbering as necessary.

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KEARNS of Lee



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House File 2475 - Introduced

HOUSE FILE 2475  
BY COMMITTEE ON WAYS AND MEANS  
  
(SUCCESSOR TO HSB 676)

A BILL FOR

1 An Act relating to taxation and local government budgets  
2 by providing for an increase in the amount of the earned  
3 income tax credit, establishing and modifying property  
4 assessment limitations, providing for certain property tax  
5 replacement payments, modifying the assessment and taxation  
6 of telecommunications company property, establishing budget  
7 limitations for counties and cities, modifying certain  
8 reporting requirements, establishing a property tax credit  
9 for certain commercial, industrial, and railway property,  
10 establishing a multiresidential property classification,  
11 providing penalties, making appropriations, and including  
12 effective date, retroactive applicability, and other  
13 applicability provisions.  
14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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H.F. 2475

1 DIVISION I

2 EARNED INCOME TAX CREDIT

3 Section 1. Section 422.12B, subsection 1, Code 2011, is  
4 amended to read as follows:

5 1. The taxes imposed under this division less the credits  
6 allowed under section 422.12 shall be reduced by an earned  
7 income credit equal to ~~seven~~ ten percent of the federal earned  
8 income credit provided in section 32 of the Internal Revenue  
9 Code. Any credit in excess of the tax liability is refundable.

10 Sec. 2. RETROACTIVE APPLICABILITY. This division of this  
11 Act applies retroactively to January 1, 2012, for tax years  
12 beginning on or after that date.

13 DIVISION II

14 PROPERTY TAX ASSESSMENT LIMITATIONS — PROPERTY TAX REPLACEMENT

15 Sec. 3. Section 257.3, subsection 1, Code 2011, is amended  
16 by adding the following new paragraph:

17 NEW PARAGRAPH. *d.* The amount paid to each school district  
18 for the commercial and industrial property tax replacement  
19 claim under section 441.21A shall be regarded as property tax.  
20 The portion of the payment which is foundation property tax  
21 shall be determined by applying the foundation property tax  
22 rate to the amount computed under section 441.21A, subsection  
23 4, paragraph "a", and such amount shall be prorated pursuant to  
24 section 441.21A, subsection 2, if applicable.

25 Sec. 4. Section 331.512, Code 2011, is amended by adding the  
26 following new subsection:

27 NEW SUBSECTION. 13A. Carry out duties relating to the  
28 calculation and payment of commercial and industrial property  
29 tax replacement claims under section 441.21A.

30 Sec. 5. Section 331.559, Code 2011, is amended by adding the  
31 following new subsection:

32 NEW SUBSECTION. 25A. Carry out duties relating to the  
33 calculation and payment of commercial and industrial property  
34 tax replacement claims under section 441.21A.

35 Sec. 6. Section 441.21, subsection 4, Code Supplement 2011,

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1 is amended to read as follows:

2     4. For valuations established as of January 1, 1979,  
3 the percentage of actual value at which agricultural and  
4 residential property shall be assessed shall be the quotient  
5 of the dividend and divisor as defined in this section. The  
6 dividend for each class of property shall be the dividend  
7 as determined for each class of property for valuations  
8 established as of January 1, 1978, adjusted by the product  
9 obtained by multiplying the percentage determined for that  
10 year by the amount of any additions or deletions to actual  
11 value, excluding those resulting from the revaluation of  
12 existing properties, as reported by the assessors on the  
13 abstracts of assessment for 1978, plus six percent of the  
14 amount so determined. However, if the difference between the  
15 dividend so determined for either class of property and the  
16 dividend for that class of property for valuations established  
17 as of January 1, 1978, adjusted by the product obtained by  
18 multiplying the percentage determined for that year by the  
19 amount of any additions or deletions to actual value, excluding  
20 those resulting from the revaluation of existing properties,  
21 as reported by the assessors on the abstracts of assessment  
22 for 1978, is less than six percent, the 1979 dividend for the  
23 other class of property shall be the dividend as determined for  
24 that class of property for valuations established as of January  
25 1, 1978, adjusted by the product obtained by multiplying  
26 the percentage determined for that year by the amount of  
27 any additions or deletions to actual value, excluding those  
28 resulting from the revaluation of existing properties, as  
29 reported by the assessors on the abstracts of assessment for  
30 1978, plus a percentage of the amount so determined which is  
31 equal to the percentage by which the dividend as determined  
32 for the other class of property for valuations established  
33 as of January 1, 1978, adjusted by the product obtained by  
34 multiplying the percentage determined for that year by the  
35 amount of any additions or deletions to actual value, excluding



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1 those resulting from the revaluation of existing properties,  
2 as reported by the assessors on the abstracts of assessment  
3 for 1978, is increased in arriving at the 1979 dividend for  
4 the other class of property. The divisor for each class of  
5 property shall be the total actual value of all such property  
6 in the state in the preceding year, as reported by the  
7 assessors on the abstracts of assessment submitted for 1978,  
8 plus the amount of value added to said total actual value by  
9 the revaluation of existing properties in 1979 as equalized  
10 by the director of revenue pursuant to section 441.49. The  
11 director shall utilize information reported on abstracts of  
12 assessment submitted pursuant to section 441.45 in determining  
13 such percentage. For valuations established as of January 1,  
14 1980, and each assessment year thereafter beginning before  
15 January 1, 2013, the percentage of actual value as equalized  
16 by the director of revenue as provided in section 441.49 at  
17 which agricultural and residential property shall be assessed  
18 shall be calculated in accordance with the methods provided  
19 herein including the limitation of increases in agricultural  
20 and residential assessed values to the percentage increase of  
21 the other class of property if the other class increases less  
22 than the allowable limit adjusted to include the applicable  
23 and current values as equalized by the director of revenue,  
24 except that any references to six percent in this subsection  
25 shall be four percent. For valuations established as of  
26 January 1, 2013, and each assessment year thereafter, the  
27 percentage of actual value as equalized by the director of  
28 revenue as provided in section 441.49 at which agricultural  
29 and residential property shall be assessed shall be calculated  
30 in accordance with the methods provided herein including  
31 the limitation of increases in agricultural and residential  
32 assessed values to the percentage increase of the other  
33 class of property if the other class increases less than the  
34 allowable limit adjusted to include the applicable and current  
35 values as equalized by the director of revenue, except that any



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1 references to six percent in this subsection shall be three  
2 percent.

3     Sec. 7. Section 441.21, subsection 5, Code Supplement 2011,  
4 is amended to read as follows:

5     5. a. ~~For valuations established as of January 1, 1979,~~  
6 ~~commercial property and industrial property, excluding~~  
7 ~~properties referred to in section 427A.1, subsection 8, shall~~  
8 ~~be assessed as a percentage of the actual value of each class~~  
9 ~~of property. The percentage shall be determined for each~~  
10 ~~class of property by the director of revenue for the state in~~  
11 ~~accordance with the provisions of this section. For valuations~~  
12 ~~established as of January 1, 1979, the percentage shall be~~  
13 ~~the quotient of the dividend and divisor as defined in this~~  
14 ~~section. The dividend for each class of property shall be the~~  
15 ~~total actual valuation for each class of property established~~  
16 ~~for 1978, plus six percent of the amount so determined. The~~  
17 ~~divisor for each class of property shall be the valuation~~  
18 ~~for each class of property established for 1978, as reported~~  
19 ~~by the assessors on the abstracts of assessment for 1978,~~  
20 ~~plus the amount of value added to the total actual value by~~  
21 ~~the revaluation of existing properties in 1979 as equalized~~  
22 ~~by the director of revenue pursuant to section 441.49. For~~  
23 valuations established as of January 1, 1979, property valued  
24 by the department of revenue pursuant to chapters 428, 433,  
25 437, and 438 shall be considered as one class of property and  
26 shall be assessed as a percentage of its actual value. The  
27 percentage shall be determined by the director of revenue in  
28 accordance with the provisions of this section. For valuations  
29 established as of January 1, 1979, the percentage shall be  
30 the quotient of the dividend and divisor as defined in this  
31 section. The dividend shall be the total actual valuation  
32 established for 1978 by the department of revenue, plus ten  
33 percent of the amount so determined. The divisor for property  
34 valued by the department of revenue pursuant to chapters 428,  
35 433, 437, and 438 shall be the valuation established for 1978,

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1 plus the amount of value added to the total actual value by  
2 the revaluation of the property by the department of revenue  
3 as of January 1, 1979. ~~For valuations established as of~~  
4 ~~January 1, 1980, commercial property and industrial property,~~  
5 ~~excluding properties referred to in section 427A.1, subsection~~  
6 ~~8, shall be assessed at a percentage of the actual value of~~  
7 ~~each class of property. The percentage shall be determined~~  
8 ~~for each class of property by the director of revenue for the~~  
9 ~~state in accordance with the provisions of this section. For~~  
10 ~~valuations established as of January 1, 1980, the percentage~~  
11 ~~shall be the quotient of the dividend and divisor as defined in~~  
12 ~~this section. The dividend for each class of property shall~~  
13 ~~be the dividend as determined for each class of property for~~  
14 ~~valuations established as of January 1, 1979, adjusted by the~~  
15 ~~product obtained by multiplying the percentage determined~~  
16 ~~for that year by the amount of any additions or deletions to~~  
17 ~~actual value, excluding those resulting from the revaluation~~  
18 ~~of existing properties, as reported by the assessors on the~~  
19 ~~abstracts of assessment for 1979, plus four percent of the~~  
20 ~~amount so determined. The divisor for each class of property~~  
21 ~~shall be the total actual value of all such property in 1979,~~  
22 ~~as equalized by the director of revenue pursuant to section~~  
23 ~~441.49, plus the amount of value added to the total actual~~  
24 ~~value by the revaluation of existing properties in 1980. The~~  
25 ~~director shall utilize information reported on the abstracts of~~  
26 ~~assessment submitted pursuant to section 441.45 in determining~~  
27 ~~such percentage. For valuations established as of January 1,~~  
28 ~~1980, property valued by the department of revenue pursuant~~  
29 ~~to chapters 428, 433, 437, and 438 shall be assessed at a~~  
30 ~~percentage of its actual value. The percentage shall be~~  
31 ~~determined by the director of revenue in accordance with the~~  
32 ~~provisions of this section. For valuations established as of~~  
33 ~~January 1, 1980, the percentage shall be the quotient of the~~  
34 ~~dividend and divisor as defined in this section. The dividend~~  
35 ~~shall be the total actual valuation established for 1979 by~~



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1 the department of revenue, plus eight percent of the amount so  
2 determined. The divisor for property valued by the department  
3 of revenue pursuant to chapters 428, 433, 437, and 438 shall  
4 be the valuation established for 1979, plus the amount of  
5 value added to the total actual value by the revaluation of  
6 the property by the department of revenue as of January 1,  
7 1980. ~~For valuations established as of January 1, 1981,~~  
8 ~~and each year thereafter, the percentage of actual value as~~  
9 ~~equalized by the director of revenue as provided in section~~  
10 ~~441.49 at which commercial property and industrial property,~~  
11 ~~excluding properties referred to in section 427A.1, subsection~~  
12 ~~8, shall be assessed shall be calculated in accordance with~~  
13 ~~the methods provided herein, except that any references to~~  
14 ~~six percent in this subsection shall be four percent. For~~  
15 valuations established as of January 1, 1981, and each year  
16 thereafter, the percentage of actual value at which property  
17 valued by the department of revenue pursuant to chapters  
18 428, 433, 437, and 438 shall be assessed shall be calculated  
19 in accordance with the methods provided herein, except that  
20 any references to ten percent in this subsection shall be  
21 eight percent. For assessment years beginning on or after  
22 January 1, 2013, but before January 1, 2019, the percentage  
23 of actual value at which property valued by the department of  
24 revenue pursuant to chapters 428, 433, 437, and 438 shall be  
25 assessed shall be calculated using property valuations for the  
26 applicable assessment years that include the total value of  
27 property exempt from taxation under section 433.4, subsection  
28 2, paragraph "b", if enacted in division III of this Act,  
29 notwithstanding section 433.4, subsection 2, paragraph "c", if  
30 enacted in division III of this Act. Beginning with valuations  
31 established as of January 1, 1979, and each assessment year  
32 thereafter beginning before January 1, 2013, property valued by  
33 the department of revenue pursuant to chapter 434 shall also be  
34 assessed at a percentage of its actual value which percentage  
35 shall be equal to the percentage determined by the director





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1 of revenue for commercial property, industrial property, or  
2 property valued by the department of revenue pursuant to  
3 chapters 428, 433, 437, and 438, whichever is lowest. For  
4 valuations established on or after January 1, 2013, property  
5 valued by the department of revenue pursuant to chapter 434  
6 shall be assessed at a percentage of its actual value equal to  
7 the percentage of actual value at which property assessed as  
8 commercial property is assessed for the same assessment year  
9 under paragraph "b".  
10 b. For valuations established on or after January 1, 2013,  
11 commercial property, excluding properties referred to in  
12 section 427A.1, subsection 8, shall be assessed as a percentage  
13 of its actual value, as determined in this paragraph "b".  
14 For valuations established for the assessment year beginning  
15 January 1, 2013, the percentage of actual value as equalized by  
16 the director of revenue as provided in section 441.49 at which  
17 commercial property shall be assessed shall be ninety-eight  
18 percent. For valuations established for the assessment year  
19 beginning January 1, 2014, the percentage of actual value as  
20 equalized by the director of revenue as provided in section  
21 441.49 at which commercial property shall be assessed shall  
22 be ninety-six percent. For valuations established for the  
23 assessment year beginning January 1, 2015, the percentage  
24 of actual value as equalized by the director of revenue as  
25 provided in section 441.49 at which commercial property shall  
26 be assessed shall be ninety-four percent. For valuations  
27 established for the assessment year beginning January 1, 2016,  
28 the percentage of actual value as equalized by the director  
29 of revenue as provided in section 441.49 at which commercial  
30 property shall be assessed shall be ninety-two percent. For  
31 valuations established for the assessment year beginning  
32 January 1, 2017, and each assessment year thereafter, the  
33 percentage of actual value as equalized by the director of  
34 revenue as provided in section 441.49 at which commercial  
35 property shall be assessed shall be ninety percent.



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1     c. For valuations established on or after January 1, 2013,  
2     industrial property, excluding properties referred to in  
3     section 427A.1, subsection 8, shall be assessed as a percentage  
4     of its actual value, as determined in this paragraph "c".  
5     For valuations established for the assessment year beginning  
6     January 1, 2013, the percentage of actual value as equalized by  
7     the director of revenue as provided in section 441.49 at which  
8     industrial property shall be assessed shall be ninety-eight  
9     percent. For valuations established for the assessment year  
10    beginning January 1, 2014, the percentage of actual value as  
11    equalized by the director of revenue as provided in section  
12    441.49 at which industrial property shall be assessed shall  
13    be ninety-six percent. For valuations established for the  
14    assessment year beginning January 1, 2015, the percentage  
15    of actual value as equalized by the director of revenue as  
16    provided in section 441.49 at which industrial property shall  
17    be assessed shall be ninety-four percent. For valuations  
18    established for the assessment year beginning January 1, 2016,  
19    the percentage of actual value as equalized by the director  
20    of revenue as provided in section 441.49 at which industrial  
21    property shall be assessed shall be ninety-two percent. For  
22    valuations established for the assessment year beginning  
23    January 1, 2017, and each assessment year thereafter, the  
24    percentage of actual value as equalized by the director of  
25    revenue as provided in section 441.49 at which industrial  
26    property shall be assessed shall be ninety percent.

27     **Sec. 8. NEW SECTION. 441.21A Commercial and industrial**  
28     **property tax replacement fund — replacement claims.**

29     1. a. The commercial and industrial property tax  
30     replacement fund is created in the state treasury under  
31     the control of the department of revenue for the payment of  
32     commercial and industrial property tax replacement claims in  
33     fiscal years beginning on or after July 1, 2014.

34     b. For the fiscal year beginning July 1, 2014, there  
35     is appropriated from the general fund of the state to the



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1 department of revenue to be credited to the fund an amount  
2 necessary to pay all commercial and industrial property  
3 tax replacement claims for the fiscal year, not to exceed  
4 twenty-eight million dollars. For the fiscal year beginning  
5 July 1, 2015, there is appropriated from the general fund of  
6 the state to the department of revenue to be credited to the  
7 fund an amount necessary to pay all commercial and industrial  
8 property tax replacement claims for the fiscal year, not  
9 to exceed fifty-six million dollars. For the fiscal year  
10 beginning July 1, 2016, there is appropriated from the general  
11 fund of the state to the department of revenue to be credited  
12 to the fund an amount necessary to pay all commercial and  
13 industrial property tax replacement claims for the fiscal year,  
14 not to exceed eighty-four million dollars. For the fiscal  
15 year beginning July 1, 2017, there is appropriated from the  
16 general fund of the state to the department of revenue to be  
17 credited to the fund an amount necessary to pay all commercial  
18 and industrial property tax replacement claims for the fiscal  
19 year, not to exceed one hundred twelve million dollars. For  
20 the fiscal year beginning July 1, 2018, and each fiscal year  
21 thereafter, there is appropriated from the general fund of  
22 the state to the department of revenue to be credited to the  
23 fund an amount necessary to pay all commercial and industrial  
24 property tax replacement claims for the fiscal year, not to  
25 exceed one hundred forty million dollars.

26 2. Beginning with the fiscal year beginning July 1, 2014,  
27 each county treasurer shall be paid from the commercial and  
28 industrial property tax replacement fund an amount equal to  
29 the amount of the commercial and industrial property tax  
30 replacement claims in the county, as calculated in subsection  
31 4. If an amount appropriated for a fiscal year is insufficient  
32 to pay all replacement claims, the director of revenue  
33 shall prorate the disbursements from the fund to the county  
34 treasurers and shall notify the county auditors of the pro rata  
35 percentage on or before September 30. Any unspent balance in



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1 the fund as of June 30 of each year shall revert to the general  
2 fund of the state as provided by section 8.33.

3 3. a. On or before July 1 of each fiscal year beginning on  
4 or after July 1, 2014, the assessor shall determine the total  
5 assessed value of all commercial property, industrial property,  
6 and property assessed by the department of revenue pursuant to  
7 chapter 434 assessed for taxes due and payable in that fiscal  
8 year and the total assessed value of such property assessed  
9 as of January 1, 2012, and shall report the valuations to the  
10 county auditor.

11 b. For purposes of calculating replacement claims under this  
12 division of this Act, the total assessed value of commercial  
13 property, industrial property, and property assessed by the  
14 department of revenue pursuant to chapter 434 as of January 1,  
15 2012, shall not include property classified as multiresidential  
16 property under section 441.21, subsection 13, if enacted by  
17 division VI of this Act, which was classified as commercial  
18 property, industrial property, or property assessed by the  
19 department of revenue pursuant to chapter 434 for assessment  
20 years beginning before January 1, 2013.

21 4. On or before September 1 of each fiscal year beginning  
22 on or after July 1, 2014, the county auditor shall prepare  
23 a statement, based upon the report received pursuant to  
24 subsection 3, listing for each taxing district in the county:

25 a. The difference between the assessed valuation of all  
26 commercial property, industrial property, and property assessed  
27 by the department of revenue pursuant to chapter 434 for the  
28 assessment year used to calculate taxes which are due and  
29 payable in the applicable fiscal year and the assessed value  
30 of all commercial property, industrial property, and property  
31 assessed by the department of revenue pursuant to chapter 434  
32 assessed as of January 1, 2012. If the assessed value of all  
33 commercial property, industrial property, and property assessed  
34 by the department of revenue pursuant to chapter 434 assessed  
35 as of January 1, 2012, is less than the assessed valuation of

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1 all commercial property, industrial property, and property  
2 assessed by the department of revenue pursuant to chapter 434  
3 for the assessment year used to calculate taxes which are due  
4 and payable in the applicable fiscal year, there is no tax  
5 replacement for that taxing district for the fiscal year.

6     **b.** The tax levy rate for each taxing district for that  
7 fiscal year.

8     **c.** The commercial and industrial property tax replacement  
9 claim for each taxing district. For fiscal years beginning on  
10 or after July 1, 2014, the replacement claim is equal to the  
11 amount determined pursuant to paragraph "a", multiplied by the  
12 tax rate specified in paragraph "b".

13     5. For purposes of computing replacement amounts under  
14 this section, that portion of an urban renewal area defined as  
15 the sum of the assessed valuations defined in section 403.19,  
16 subsections 1 and 2, shall be considered a taxing district.

17     6. **a.** The county auditor shall certify and forward one copy  
18 of the statement to the department of revenue not later than  
19 September 1 of each year.

20     **b.** The replacement claims shall be paid to each county  
21 treasurer in equal installments in September and March of each  
22 year. The county treasurer shall apportion the replacement  
23 claim payments among the eligible taxing districts in the  
24 county.

25     **c.** If the taxing district is an urban renewal area, the  
26 amount of the replacement claim shall be apportioned as  
27 provided in subsection 7.

28     7. **a.** If the total assessed value of property located in an  
29 urban renewal area taxing district for the assessment year for  
30 property taxes due and payable in the applicable fiscal year is  
31 equal to or more than that portion of such valuation defined  
32 in section 403.19, subsection 1, the total replacement claim  
33 amount computed pursuant to subsection 4 shall be credited to  
34 that portion of the assessed value defined in section 403.19,  
35 subsection 2.



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1     *b.* If the total assessed value of the property located in an  
2 urban renewal area taxing district for the assessment year for  
3 property taxes due and payable in the applicable fiscal year  
4 is less than that portion of such valuation defined in section  
5 403.19, subsection 1, the replacement amount shall be credited  
6 to those portions of the assessed value defined in section  
7 403.19, subsections 1 and 2, as follows:

8       (1) To that portion defined in section 403.19, subsection  
9 1, an amount equal to the amount that would be produced by  
10 multiplying the applicable consolidated levy rate times the  
11 difference between the assessed value of the taxable property  
12 defined in section 403.19, subsection 1, and the total assessed  
13 value of the property located in the urban renewal area taxing  
14 district in the assessment year for property taxes due and  
15 payable in the fiscal year for which the replacement claim is  
16 computed.

17       (2) To that portion defined in section 403.19, subsection 2,  
18 the remaining amount, if any.

19     *c.* Notwithstanding the allocation provisions of paragraphs  
20 "a" and "b", the amount of the tax replacement amount that shall  
21 be allocated to that portion of the assessed value defined  
22 in section 403.19, subsection 2, shall not exceed the amount  
23 equal to the amount certified to the county auditor under  
24 section 403.19 for the fiscal year in which the claim is paid,  
25 after deduction of the amount of other revenues committed for  
26 payment on that amount for the fiscal year. The amount not  
27 allocated to that portion of the assessed value defined in  
28 section 403.19, subsection 2, as a result of the operation of  
29 this paragraph, shall be allocated to that portion of assessed  
30 value defined in section 403.19, subsection 1.

31     *d.* The amount of the replacement claim amount credited to  
32 the portion of the assessed value defined in section 403.19,  
33 subsection 1, shall be allocated to and when received be paid  
34 into the fund for the respective taxing district as taxes by  
35 or for the taxing district into which all other property taxes

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1 are paid. The amount of the replacement claim amount credited  
2 to the portion of the assessed value defined in section 403.19,  
3 subsection 2, shall be allocated to and when collected be paid  
4 into the special fund of the municipality under section 403.19,  
5 subsection 2.

6 Sec. 9. SAVINGS PROVISION. This division of this Act,  
7 pursuant to section 4.13, does not affect the operation of,  
8 or prohibit the application of, prior provisions of section  
9 441.21, or rules adopted under chapter 17A to administer prior  
10 provisions of section 441.21, for assessment years beginning  
11 before January 1, 2013, and for duties, powers, protests,  
12 appeals, proceedings, actions, or remedies attributable to an  
13 assessment year beginning before January 1, 2013.

14 Sec. 10. APPLICABILITY. This division of this Act applies  
15 to assessment years beginning on or after January 1, 2013.

16 DIVISION III

17 TELECOMMUNICATIONS PROPERTY TAX

18 Sec. 11. Section 427A.1, subsection 1, paragraph h, Code  
19 2011, is amended to read as follows:

20 *h.* Property assessed by the department of revenue pursuant  
21 to sections 428.24 to 428.29, or chapters 433, 434, 437, 437A,  
22 and 438.

23 Sec. 12. Section 433.4, Code 2011, is amended to read as  
24 follows:

25 **433.4 Assessment.**

26 1. The director of revenue shall on or before October 31  
27 each year, proceed to find the actual value of the property  
28 of these companies in this state used by the companies in the  
29 transaction of telegraph and telephone business, taking into  
30 consideration the information obtained from the statements  
31 required, and any further information the director can obtain,  
32 using the same as a means for determining the actual cash value  
33 of the property of these companies within this state. ~~The~~  
34 ~~director shall also take into consideration the valuation of~~  
35 ~~all property of these companies, including franchises and the~~

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~~1 use of the property in connection with lines outside the state,  
2 and making these deductions as may be necessary on account of  
3 extra value of property outside the state as compared with  
4 the value of property in the state, in order that the actual  
5 cash value of the property of the company within this state  
6 may be ascertained. The assessment shall include all property  
7 of every kind and character whatsoever, real, personal, or  
8 mixed, used by the companies in the transaction of telegraph  
9 and telephone business; and the The property so included in  
10 the assessment shall not be taxed in any other manner than as  
11 provided in this chapter.~~

12 2. a. Except as provided in paragraph "c", for assessment  
13 years beginning on or after January 1, 2013, a company's  
14 property, excluding the property identified in paragraph "b"  
15 as exempt from taxation, shall be subject to assessment and  
16 taxation under this chapter by the director of revenue in  
17 the same manner as property assessed and taxed as commercial  
18 property under chapters 427, 427A, 427B, 428, and 441.

19 b. All of the following is exempt from taxation and shall  
20 not be assessed for taxation under this chapter:

21 (1) Central office equipment.

22 (2) Transmission equipment.

23 (3) Qualified telephone company property. However,  
24 qualified telephone company property shall be valued and  
25 included in the company's assessment for the assessment years,  
26 and to the extent specified, in paragraph "c".

27 (4) Intangible property.

28 c. For assessment years beginning on or after January 1,  
29 2013, but before January 1, 2018, the director of revenue shall  
30 include as part of the actual value determined under paragraph  
31 "a" for the applicable assessment year, the following:

32 (1) For the assessment year beginning January 1, 2013, an  
33 amount equal to the actual value of the company's qualified  
34 telephone company property that exceeds five million dollars.

35 (2) For the assessment year beginning January 1, 2014, an

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1 amount equal to the actual value of the company's qualified  
2 telephone company property that exceeds twenty-five million  
3 dollars.

4 (3) For the assessment year beginning January 1, 2015, an  
5 amount equal to the actual value of the company's qualified  
6 telephone company property that exceeds fifty million dollars.

7 (4) For the assessment year beginning January 1, 2016, an  
8 amount equal to the actual value of the company's qualified  
9 telephone company property that exceeds one hundred million  
10 dollars.

11 (5) For the assessment year beginning January 1, 2017, an  
12 amount equal to the actual value of the company's qualified  
13 telephone company property that exceeds one hundred fifty  
14 million dollars.

15 Sec. 13. Section 433.12, Code 2011, is amended by adding the  
16 following new subsections:

17 NEW SUBSECTION. 1A. As used in this chapter, "central  
18 office equipment" means equipment owned or leased by a company  
19 and used in initiating, amplifying, switching, or monitoring  
20 telecommunications services, including such ancillary equipment  
21 necessary for the support, regulation, control, repair, or  
22 testing of such equipment.

23 NEW SUBSECTION. 2A. As used in this chapter, "intangible  
24 property" includes but is not limited to goodwill associated  
25 with a company.

26 NEW SUBSECTION. 3. As used in this chapter, "qualified  
27 telephone company property" means telephone wire, telephone  
28 cable, fiber optic cable, conduit systems, poles, or other  
29 equipment owned or leased by a company and used by the company  
30 to transmit sound or data.

31 NEW SUBSECTION. 4. As used in this chapter, "transmission  
32 equipment" means equipment owned or leased by a company and  
33 used in the process of sending information from one location to  
34 another location, including such ancillary equipment necessary  
35 for the support, regulation, control, repair, or testing of

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1 such equipment.

2 Sec. 14. Section 476.1D, subsection 10, Code Supplement  
3 2011, is amended by striking the subsection.

4 Sec. 15. SAVINGS PROVISION. This division of this Act,  
5 pursuant to section 4.13, does not affect the operation of,  
6 or prohibit the application of, prior provisions of chapter  
7 433, or rules adopted under chapter 17A to administer prior  
8 provisions of chapter 433, for assessment years beginning  
9 before January 1, 2013, and for duties, powers, protests,  
10 appeals, proceedings, actions, or remedies attributable to an  
11 assessment year beginning before January 1, 2013.

12 Sec. 16. IMPLEMENTATION. Section 25B.7 shall not apply to  
13 this division of this Act.

14 Sec. 17. EFFECTIVE DATE.

15 1. Except as provided in subsection 2, this division of this  
16 Act takes effect July 1, 2012.

17 2. The section of this division of this Act amending section  
18 476.1D takes effect July 1, 2017.

19 Sec. 18. APPLICABILITY.

20 1. Except as provided in subsection 2, this division of this  
21 Act applies to assessment years beginning on or after January  
22 1, 2013.

23 2. The section of this division of this Act amending section  
24 476.1D applies to assessment years beginning on or after  
25 January 1, 2018.

26 DIVISION IV

27 COUNTY AND CITY BUDGET LIMITATION

28 Sec. 19. Section 23A.2, subsection 10, paragraph h, Code  
29 2011, is amended to read as follows:

30 *h.* The performance of an activity listed in section 331.424,  
31 Code 2011, as a service for which a ~~supplemental-levy~~ county  
32 ~~may be certified~~ include in its budget.

33 Sec. 20. Section 28M.5, subsection 2, Code 2011, is amended  
34 to read as follows:

35 2. If a regional transit district budget allocates

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1 revenue responsibilities to the board of supervisors of a  
2 participating county, the amount of the regional transit  
3 district levy that is the responsibility of the participating  
4 county shall be deducted from the maximum ~~rates~~ amount of taxes  
5 authorized to be levied by the county pursuant to section  
6 331.423, ~~subsections 1 and 2~~ subsection 3, paragraphs "b"  
7 and "c", as applicable, unless the county meets its revenue  
8 responsibilities as allocated in the budget from other  
9 available revenue sources. However, for a regional transit  
10 district that includes a county with a population of less than  
11 three hundred thousand, the amount of the regional transit  
12 district levy that is the responsibility of such participating  
13 county shall be deducted from the maximum ~~rate~~ amount of taxes  
14 authorized to be levied by the county pursuant to section  
15 331.423, ~~subsection 1~~ subsection 3, paragraph "b".

16 Sec. 21. Section 123.38, subsection 2, Code 2011, is amended  
17 to read as follows:

18 2. Any licensee or permittee, or the licensee's or  
19 permittee's executor or administrator, or any person duly  
20 appointed by the court to take charge of and administer the  
21 property or assets of the licensee or permittee for the benefit  
22 of the licensee's or permittee's creditors, may voluntarily  
23 surrender a license or permit to the division. When a license  
24 or permit is surrendered the division shall notify the local  
25 authority, and the division or the local authority shall  
26 refund to the person surrendering the license or permit, a  
27 proportionate amount of the fee received by the division or  
28 the local authority for the license or permit as follows: if  
29 a license or permit is surrendered during the first three  
30 months of the period for which it was issued, the refund shall  
31 be three-fourths of the amount of the fee; if surrendered  
32 more than three months but not more than six months after  
33 issuance, the refund shall be one-half of the amount of the  
34 fee; if surrendered more than six months but not more than  
35 nine months after issuance, the refund shall be one-fourth of

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1 the amount of the fee. No refund shall be made, however, for  
2 any special liquor permit, nor for a liquor control license,  
3 wine permit, or beer permit surrendered more than nine months  
4 after issuance. For purposes of this subsection, any portion  
5 of license or permit fees used for the purposes authorized in  
6 section 331.424, subsection 1, paragraph "a", subparagraphs  
7 (1) and (2), Code 2011, and in section 331.424A, shall not be  
8 deemed received either by the division or by a local authority.  
9 No refund shall be made to any licensee or permittee, upon the  
10 surrender of the license or permit, if there is at the time  
11 of surrender, a complaint filed with the division or local  
12 authority, charging the licensee or permittee with a violation  
13 of this chapter. If upon a hearing on a complaint the license  
14 or permit is not revoked or suspended, then the licensee or  
15 permittee is eligible, upon surrender of the license or permit,  
16 to receive a refund as provided in this section; but if the  
17 license or permit is revoked or suspended upon hearing the  
18 licensee or permittee is not eligible for the refund of any  
19 portion of the license or permit fee.

20 Sec. 22. Section 218.99, Code 2011, is amended to read as  
21 follows:

22 **218.99 Counties to be notified of patients' personal**  
23 **accounts.**

24 The administrator in control of a state institution shall  
25 direct the business manager of each institution under the  
26 administrator's jurisdiction ~~which is mentioned in section~~  
27 ~~331.424, subsection 1, paragraph "a", subparagraphs (1)~~  
28 ~~and (2), and for which services are paid under section~~  
29 331.424A, to quarterly inform the county of legal settlement's  
30 entity designated to perform the county's central point of  
31 coordination process of any patient or resident who has an  
32 amount in excess of two hundred dollars on account in the  
33 patients' personal deposit fund and the amount on deposit. The  
34 administrators shall direct the business manager to further  
35 notify the entity designated to perform the county's central

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1 point of coordination process at least fifteen days before the  
2 release of funds in excess of two hundred dollars or upon the  
3 death of the patient or resident. If the patient or resident  
4 has no county of legal settlement, notice shall be made to the  
5 director of human services and the administrator in control of  
6 the institution involved.

7 Sec. 23. Section 331.263, subsection 2, Code 2011, is  
8 amended to read as follows:

9 2. The governing body of the community commonwealth  
10 shall have the authority to levy county taxes and shall  
11 have the authority to levy city taxes to the extent the  
12 city tax levy authority is transferred by the charter to  
13 the community commonwealth. A city participating in the  
14 community commonwealth shall transfer a portion of the  
15 city's tax levy authorized under section 384.1 or 384.12,  
16 whichever is applicable, to the governing body of the community  
17 commonwealth. The maximum ~~rates~~ amount of taxes authorized to  
18 be levied under ~~sections~~ section 384.1 and the maximum amount  
19 of taxes authorized to be levied under section 384.12 by a city  
20 participating in the community commonwealth shall be reduced  
21 by an amount equal to the rates of the same or similar taxes  
22 levied in the city by the governing body of the community  
23 commonwealth.

24 Sec. 24. Section 331.301, subsection 12, Code Supplement  
25 2011, is amended to read as follows:

26 12. The board of supervisors may credit funds to a reserve  
27 for the purposes authorized by subsection 11 of this section;  
28 ~~section 331.424, subsection 1, paragraph "a", subparagraph~~  
29 ~~(6);~~ and section 331.441, subsection 2, paragraph "b". Moneys  
30 credited to the reserve, and interest earned on such moneys,  
31 shall remain in the reserve until expended for purposes  
32 authorized by subsection 11 of this section; ~~section 331.424,~~  
33 ~~subsection 1, paragraph "a", subparagraph (6);~~ or section  
34 331.441, subsection 2, paragraph "b".

35 Sec. 25. Section 331.421, subsections 1 and 10, Code 2011,

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1 are amended by striking the subsections.

2 Sec. 26. Section 331.421, Code 2011, is amended by adding  
3 the following new subsection:

4 NEW SUBSECTION. 7A. "*Item*" means a budgeted expenditure,  
5 appropriation, or cash reserve from a fund for a service area,  
6 program, program element, or purpose.

7 Sec. 27. Section 331.423, Code 2011, is amended by striking  
8 the section and inserting in lieu thereof the following:

9 **331.423 Property tax dollars — maximums.**

10 1. Annually, the board shall determine separate property  
11 tax levy limits to pay for general county services and rural  
12 county services in accordance with this section. The property  
13 tax levies separately certified for general county services and  
14 rural county services under section 331.434 shall not raise  
15 property tax dollars that exceed the amount determined under  
16 this section.

17 2. For purposes of this section and section 331.423B, unless  
18 the context otherwise requires:

19 *a. "Annual growth factor"* means an index, expressed as  
20 a percentage, determined by the department of management by  
21 January 1 of the calendar year in which the budget year begins.  
22 In determining the annual growth factor, the department shall  
23 calculate the average of the preceding twelve-month percentage  
24 change, which shall be computed on a monthly basis, in the  
25 midwest consumer price index, ending with the percentage change  
26 for the month of November. The department shall then add that  
27 average percentage change to one hundred percent. In no case,  
28 however, shall the annual growth factor exceed one hundred four  
29 percent.

30 *b. "Boundary adjustment"* means annexation, severance,  
31 incorporation, or discontinuance as those terms are defined in  
32 section 368.1.

33 *c. "Budget year"* is the fiscal year beginning during the  
34 calendar year in which a budget is certified.

35 *d. "Current fiscal year"* is the fiscal year ending during

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1 the calendar year in which a budget is certified.

2 e. "Net new valuation taxes" means the amount of property  
3 tax dollars equal to the current fiscal year's levy rate in  
4 the county for general county services or for rural county  
5 services, as applicable, multiplied by the increase from the  
6 current fiscal year to the budget year in taxable valuation due  
7 to the following:

8 (1) Net new construction, excluding all incremental  
9 valuation that is released in any one year from either a  
10 division of revenue under section 260E.4 or 357H.9, or an  
11 urban renewal area for which taxes were being divided under  
12 section 403.19 if the property for the valuation being released  
13 remains subject to the division of revenue under section 260E.4  
14 or 357H.9, or remains part of the urban renewal area that is  
15 subject to a division of revenue under section 403.19.

16 (2) Additions or improvements to existing structures.

17 (3) Remodeling of existing structures for which a building  
18 permit is required.

19 (4) Net boundary adjustment.

20 (5) A municipality no longer dividing tax revenues in an  
21 urban renewal area as provided in section 403.19, a community  
22 college no longer dividing revenues as provided in section  
23 260E.4, or a rural improvement zone no longer dividing revenues  
24 as provided in section 357H.9.

25 (6) That portion of taxable property located in an urban  
26 revitalization area on which an exemption was allowed and such  
27 exemption has expired.

28 3. a. For the fiscal year beginning July 1, 2013, and  
29 subsequent fiscal years, the maximum amount of property tax  
30 dollars which may be certified for levy by a county for general  
31 county services and rural county services shall be the maximum  
32 property tax dollars calculated under paragraphs "b" and "c",  
33 respectively.

34 b. The maximum property tax dollars that may be levied for  
35 general county services is an amount equal to the sum of the

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1 following:

2 (1) The annual growth factor times the current fiscal year's  
3 maximum property tax dollars for general county services.

4 (2) The amount of net new valuation taxes in the county.

5 c. The maximum property tax dollars that may be levied for  
6 rural county services is an amount equal to the sum of the  
7 following:

8 (1) The annual growth factor times the current fiscal year's  
9 maximum property tax dollars for rural county services.

10 (2) The amount of net new valuation taxes in the  
11 unincorporated area of the county.

12 4. a. For purposes of calculating maximum property tax  
13 dollars for general county services for the fiscal year  
14 beginning July 1, 2013, only, the term "*current fiscal year's*  
15 *maximum property tax dollars*" shall mean the total amount of  
16 property tax dollars certified by the county for general county  
17 services for the fiscal year beginning July 1, 2012.

18 b. For purposes of calculating maximum property tax dollars  
19 for rural county services for the fiscal year beginning July  
20 1, 2013, only, the term "*current fiscal year's maximum property*  
21 *tax dollars*" shall mean the total amount of property tax dollars  
22 certified by the county for rural county services for the  
23 fiscal year beginning July 1, 2012.

24 5. Property taxes certified for mental health, mental  
25 retardation, and developmental disabilities services, the  
26 emergency services fund in section 331.424C, the debt service  
27 fund in section 331.430, any capital projects fund established  
28 by the county for deposit of bond, loan, or note proceeds, and  
29 any temporary increase approved pursuant to section 331.424,  
30 are not included in the maximum amount of property tax dollars  
31 that may be certified for a budget year under subsection 3.

32 6. The department of management, in consultation with the  
33 county finance committee, shall adopt rules to administer this  
34 section. The department shall prescribe forms to be used by  
35 counties when making calculations required by this section.

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1     Sec. 28. **NEW SECTION. 331.423B Ending fund balance.**

2     1. *a.* Budgeted ending fund balances for a budget year  
3 in excess of twenty-five percent of budgeted expenditures in  
4 either the general fund or rural services fund for that budget  
5 year shall be explicitly reserved or designated for a specific  
6 purpose.

7     *b.* A county is encouraged, but not required, to reduce  
8 ending fund balances for the budget year to an amount equal to  
9 approximately twenty-five percent of budgeted expenditures and  
10 transfers from the general fund and rural services fund for  
11 that budget year unless a decision is certified by the state  
12 appeal board ordering a reduction in the ending fund balance  
13 of any of those funds.

14     *c.* In a protest to the county budget under section 331.436,  
15 the county shall have the burden of proving that the budgeted  
16 balances in excess of twenty-five percent are reasonably likely  
17 to be appropriated for the explicitly reserved or designated  
18 specific purpose. The excess budgeted balance for the specific  
19 purpose shall be considered an increase in an item in the  
20 budget for purposes of section 24.28.

21     2. *a.* For a county that has, as of June 30, 2012, reduced  
22 its actual ending fund balance to less than twenty-five  
23 percent of actual expenditures, additional property taxes may  
24 be computed and levied as provided in this subsection. The  
25 additional property tax levy amount is an amount not to exceed  
26 twenty-five percent of actual expenditures from the general  
27 fund and rural services fund for the fiscal year beginning July  
28 1, 2011, minus the combined ending fund balances for those  
29 funds for that year.

30     *b.* The amount of the additional property taxes shall be  
31 apportioned between the general fund and the rural services  
32 fund. However, the amount apportioned for general county  
33 services and for rural county services shall not exceed for  
34 each fund twenty-five percent of actual expenditures for the  
35 fiscal year beginning July 1, 2011.



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1     c. All or a portion of additional property tax dollars  
2 may be levied for the purpose of increasing cash reserves  
3 for general county services and rural county services in the  
4 budget year. The additional property tax dollars authorized  
5 under this subsection but not levied may be carried forward as  
6 unused ending fund balance taxing authority until and for the  
7 fiscal year beginning July 1, 2018. The amount carried forward  
8 shall not exceed twenty-five percent of the maximum amount of  
9 property tax dollars available in the current fiscal year.  
10 Additionally, property taxes that are levied as unused ending  
11 fund balance taxing authority under this subsection may be the  
12 subject of a protest under section 331.436, and the amount  
13 will be considered an increase in an item in the budget for  
14 purposes of section 24.28. The amount of additional property  
15 taxes levied under this subsection shall not be included in the  
16 computation of the maximum amount of property tax dollars which  
17 may be certified and levied under section 331.423.

18     Sec. 29. Section 331.424, Code 2011, is amended by striking  
19 the section and inserting in lieu thereof the following:

20     **331.424 Authority to levy beyond maximum property tax**  
21 **dollars.**

22     1. The board may certify additions to the maximum amount  
23 of property tax dollars to be levied for a period of time not  
24 to exceed two years if the proposition has been submitted at a  
25 special election and received a favorable majority of the votes  
26 cast on the proposition.

27     2. The special election is subject to the following:

28     a. The board must give at least thirty-two days' notice to  
29 the county commissioner of elections that the special election  
30 is to be held. In no case, however, shall a notice be given to  
31 the county commissioner of elections after December 31 for an  
32 election on a proposition to exceed the statutory limits during  
33 the fiscal year beginning in the next calendar year.

34     b. The special election shall be conducted by the county  
35 commissioner of elections in accordance with law.

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1 c. The proposition to be submitted shall be substantially  
2 in the following form:  
3 Vote "yes" or "no" on the following: Shall the county of  
4 \_\_\_\_\_ levy for an additional \$\_\_\_\_\_ each year for \_\_\_\_ years  
5 beginning July 1, \_\_\_\_\_, in excess of the statutory limits  
6 otherwise applicable for the (general county services or rural  
7 services) fund?

8 d. The canvass shall be held beginning at 1:00 p.m. on  
9 the second day which is not a holiday following the special  
10 election.

11 e. Notice of the special election shall be published at  
12 least once in a newspaper as specified in section 331.305 prior  
13 to the date of the special election. The notice shall appear  
14 as early as practicable after the board has voted to submit  
15 a proposition to the voters to levy additional property tax  
16 dollars.

17 3. Registered voters in the county may vote on the  
18 proposition to increase property taxes for the general fund  
19 in excess of the statutory limit. Registered voters residing  
20 outside the corporate limits of a city within the county may  
21 vote on the proposition to increase property taxes for the  
22 rural services fund in excess of the statutory limit.

23 4. The amount of additional property tax dollars certified  
24 under this section shall not be included in the computation  
25 of the maximum amount of property tax dollars which may be  
26 certified and levied under section 331.423.

27 Sec. 30. Section 331.424A, subsection 4, Code Supplement  
28 2011, is amended to read as follows:

29 4. For the fiscal year beginning July 1, 1996, and for each  
30 subsequent fiscal year, the county shall certify a levy for  
31 payment of services. For each fiscal year, county revenues  
32 from taxes imposed by the county credited to the services fund  
33 shall not exceed an amount equal to the amount of base year  
34 expenditures for services as defined in section 331.438, less  
35 the amount of property tax relief to be received pursuant to



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1 section 426B.2, in the fiscal year for which the budget is  
2 certified. The county auditor and the board of supervisors  
3 shall reduce the amount of the levy certified for the services  
4 fund by the amount of property tax relief to be received. A  
5 levy certified under this section is not subject to the appeal  
6 ~~provisions of section 331.426 or to~~ any other provision in law  
7 authorizing a county to exceed, increase, or appeal a property  
8 tax levy limit.

9 Sec. 31. Section 331.427, subsection 3, paragraph 1, Code  
10 2011, is amended to read as follows:

11 1. Services listed in section 331.424, subsection 1, Code  
12 2011, and section 331.554.

13 Sec. 32. Section 331.428, subsection 2, paragraph d, Code  
14 2011, is amended to read as follows:

15 d. Services listed under section 331.424, subsection 2, Code  
16 2011.

17 Sec. 33. Section 331.434, subsection 1, Code 2011, is  
18 amended to read as follows:

19 1. The budget shall show the amount required for each class  
20 of proposed expenditures, a comparison of the amounts proposed  
21 to be expended with the amounts expended for like purposes for  
22 the two preceding years, the revenues from sources other than  
23 property taxation, and the amount to be raised by property  
24 taxation, in the detail and form prescribed by the director  
25 of the department of management. For each county that has  
26 established an urban renewal area, the budget shall include  
27 estimated and actual tax increment financing revenues and all  
28 estimated and actual expenditures of the revenues, proceeds  
29 from debt and all estimated and actual expenditures of the  
30 debt proceeds, and identification of any entity receiving a  
31 direct payment of taxes funded by tax increment financing  
32 revenues and shall include the total amount of loans, advances,  
33 indebtedness, or bonds outstanding at the close of the most  
34 recently ended fiscal year, which qualify for payment from the  
35 special fund created in section 403.19, including interest

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1 negotiated on such loans, advances, indebtedness, or bonds.  
2 For purposes of this subsection, "*indebtedness*" includes  
3 written agreements whereby the county agrees to suspend, abate,  
4 exempt, rebate, refund, or reimburse property taxes, provide  
5 a grant for property taxes paid, or make a direct payment  
6 of taxes, with moneys in the special fund. The amount of  
7 loans, advances, indebtedness, or bonds shall be listed in  
8 the aggregate for each county reporting. ~~The county finance~~  
9 ~~committee, in consultation with the department of management~~  
10 ~~and the legislative services agency, shall determine reporting~~  
11 ~~criteria and shall prepare a form for reports filed with the~~  
12 ~~department pursuant to this section. The department shall make~~  
13 ~~the information available by electronic means.~~

14 Sec. 34. Section 373.10, Code 2011, is amended to read as  
15 follows:

16 **373.10 Taxing authority.**

17 The metropolitan council shall have the authority to  
18 levy city taxes to the extent the city tax levy authority  
19 is transferred by the charter to the metropolitan council.  
20 A member city shall transfer a portion of the city's tax  
21 levy authorized under section 384.1 or 384.12, whichever is  
22 applicable, to the metropolitan council. The maximum ~~rates~~  
23 amount of taxes authorized to be levied under ~~sections~~ section  
24 384.1 and the taxes authorized to be levied under section  
25 384.12 by a member city shall be reduced by an amount equal to  
26 the rates of the same or similar taxes levied in the city by the  
27 metropolitan council.

28 Sec. 35. Section 384.1, Code 2011, is amended by striking  
29 the section and inserting in lieu thereof the following:

30 **384.1 Property tax dollars — maximums.**

31 1. A city shall certify taxes to be levied by the city  
32 on all taxable property within the city limits, for all city  
33 government purposes. Annually, the city council may certify  
34 basic levies for city government purposes, subject to the  
35 limitation on property tax dollars provided in this section.

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- 1     2. For purposes of this section and section 384.1B, unless  
2 the context otherwise requires:
- 3     *a. "Annual growth factor"* means an index, expressed as  
4 a percentage, determined by the department of management by  
5 January 1 of the calendar year in which the budget year begins.  
6 In determining the annual growth factor, the department shall  
7 calculate the average of the preceding twelve-month percentage  
8 change, which shall be computed on a monthly basis, in the  
9 midwest consumer price index, ending with the percentage change  
10 for the month of November. The department shall then add that  
11 average percentage change to one hundred percent. In no case,  
12 however, shall the annual growth factor exceed one hundred four  
13 percent.
- 14    *b. "Boundary adjustment"* means annexation, severance,  
15 incorporation, or discontinuance as those terms are defined in  
16 section 368.1.
- 17    *c. "Budget year"* is the fiscal year beginning during the  
18 calendar year in which a budget is certified.
- 19    *d. "Current fiscal year"* is the fiscal year ending during  
20 the calendar year in which a budget is certified.
- 21    *e. "Net new valuation taxes"* means the amount of property  
22 tax dollars equal to the current fiscal year's levy rate in the  
23 city for the general fund multiplied by the increase from the  
24 current fiscal year to the budget year in taxable valuation due  
25 to the following:
- 26     (1) Net new construction, excluding all incremental  
27 valuation that is released in any one year from either a  
28 division of revenue under section 260E.4 or an urban renewal  
29 area for which taxes were being divided under section 403.19 if  
30 the property for the valuation being released remains subject  
31 to the division of revenue under section 260E.4 or remains part  
32 of the urban renewal area that is subject to a division of  
33 revenue under section 403.19.
- 34     (2) Additions or improvements to existing structures.
- 35     (3) Remodeling of existing structures for which a building

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1 permit is required.

2 (4) Net boundary adjustment.

3 (5) A municipality no longer dividing tax revenues in an  
4 urban renewal area as provided in section 403.19 or a community  
5 college no longer dividing revenues as provided in section  
6 260E.4.

7 (6) That portion of taxable property located in an urban  
8 revitalization area on which an exemption was allowed and such  
9 exemption has expired.

10 3. a. For the fiscal year beginning July 1, 2013, and  
11 subsequent fiscal years, the maximum amount of property  
12 tax dollars which may be certified for levy by a city for  
13 the general fund shall be the maximum property tax dollars  
14 calculated under paragraph "b".

15 b. The maximum property tax dollars that may be levied for  
16 deposit in the general fund is an amount equal to the sum of the  
17 following:

18 (1) The annual growth factor times the current fiscal year's  
19 maximum property tax dollars for the general fund.

20 (2) The amount of net new valuation taxes in the city.

21 4. For purposes of calculating maximum property tax dollars  
22 for the city general fund for the fiscal year beginning July  
23 1, 2013, only, the term "*current fiscal year's maximum property*  
24 *tax dollars*" shall mean the total amount of property tax dollars  
25 certified by the city for the city's general fund for the  
26 fiscal year beginning July 1, 2012.

27 5. Property taxes certified for deposit in the debt service  
28 fund in section 384.4, trust and agency funds in section  
29 384.6, capital improvements reserve fund in section 384.7,  
30 the emergency fund in section 384.8, any capital projects  
31 fund established by the city for deposit of bond, loan, or  
32 note proceeds, any temporary increase approved pursuant to  
33 section 384.12A, property taxes collected from a voted levy in  
34 section 384.12, and property taxes levied under section 384.12,  
35 subsection 18, are not counted against the maximum amount of

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1 property tax dollars that may be certified for a fiscal year  
2 under subsection 3.

3 6. Notwithstanding the maximum amount of taxes a city  
4 may certify for levy, the tax levied by a city on tracts of  
5 land and improvements on the tracts of land used and assessed  
6 for agricultural or horticultural purposes shall not exceed  
7 three dollars and three-eighths cents per thousand dollars  
8 of assessed value in any year. Improvements located on such  
9 tracts of land and not used for agricultural or horticultural  
10 purposes and all residential dwellings are subject to the same  
11 rate of tax levied by the city on all other taxable property  
12 within the city.

13 7. The department of management, in consultation with the  
14 city finance committee, shall adopt rules to administer this  
15 section. The department shall prescribe forms to be used by  
16 cities when making calculations required by this section.

17 Sec. 36. NEW SECTION. **384.1B Ending fund balance.**

18 1. a. Budgeted ending fund balances for a budget year in  
19 excess of twenty-five percent of budgeted expenditures from the  
20 general fund for that budget year shall be explicitly reserved  
21 or designated for a specific purpose.

22 b. A city is encouraged, but not required, to reduce  
23 ending fund balances for the budget year to an amount equal to  
24 approximately twenty-five percent of budgeted expenditures and  
25 transfers from the general fund for that budget year unless  
26 a decision is certified by the state appeal board ordering a  
27 reduction in the ending fund balance of the fund.

28 c. In a protest to the city budget under section 384.19,  
29 the city shall have the burden of proving that the budgeted  
30 balances in excess of twenty-five percent are reasonably likely  
31 to be appropriated for the explicitly reserved or designated  
32 specific purpose. The excess budgeted balance for the specific  
33 purpose shall be considered an increase in an item in the  
34 budget for purposes of section 24.28.

35 2. a. For a city that has, as of June 30, 2012, reduced its





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1 ending fund balance to less than twenty-five percent of actual  
2 expenditures, additional property taxes may be computed and  
3 levied as provided in this subsection. The additional property  
4 tax levy amount is an amount not to exceed the difference  
5 between twenty-five percent of actual expenditures for city  
6 government purposes for the fiscal year beginning July 1, 2011,  
7 minus the ending fund balance for that year.

8     **b.** All or a portion of additional property tax dollars  
9 may be levied for the purpose of increasing cash reserves for  
10 city government purposes in the budget year. The additional  
11 property tax dollars authorized under this subsection but not  
12 levied may be carried forward as unused ending fund balance  
13 taxing authority until and for the fiscal year beginning  
14 July 1, 2018. The amount carried forward shall not exceed  
15 twenty-five percent of the maximum amount of property tax  
16 dollars available in the current fiscal year. Additionally,  
17 property taxes that are levied as unused ending fund balance  
18 taxing authority under this subsection may be the subject of a  
19 protest under section 384.19, and the amount will be considered  
20 an increase in an item in the budget for purposes of section  
21 24.28. The amount of additional property tax dollars levied  
22 under this subsection shall not be included in the computation  
23 of the maximum amount of property tax dollars which may be  
24 certified and levied under section 384.1.

25     Sec. 37. Section 384.12, subsection 20, Code 2011, is  
26 amended by striking the subsection.

27     Sec. 38. NEW SECTION. **384.12A Authority to levy beyond**  
28 **maximum property tax dollars.**

29     1. The city council may certify additions to the maximum  
30 amount of property tax dollars to be levied for a period of  
31 time not to exceed two years if the proposition has been  
32 submitted at a special election and received a favorable  
33 majority of the votes cast on the proposition.

34     2. The special election is subject to the following:

35     **a.** The city council must give at least thirty-two days'

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1 notice to the county commissioner of elections that the special  
2 election is to be held. In no case, however, shall a notice be  
3 given to the county commissioner of elections after December 31  
4 for an election on a proposition to exceed the statutory limits  
5 during the fiscal year beginning in the next calendar year.

6     *b.* The special election shall be conducted by the county  
7 commissioner of elections in accordance with law.

8     *c.* The proposition to be submitted shall be substantially  
9 in the following form:

10     Vote "yes" or "no" on the following: Shall the city of  
11 \_\_\_\_\_ levy for an additional \$\_\_\_\_\_ each year for \_\_\_\_ years  
12 beginning next July 1, \_\_\_\_, in excess of the statutory limits  
13 otherwise applicable for the city general fund?

14     *d.* The canvass shall be held beginning at 1:00 p.m. on  
15 the second day which is not a holiday following the special  
16 election.

17     *e.* Notice of the special election shall be published at  
18 least once in a newspaper as specified in section 362.3 prior  
19 to the date of the special election. The notice shall appear  
20 as early as practicable after the city council has voted to  
21 submit a proposition to the voters to levy additional property  
22 tax dollars.

23     3. The amount of additional property tax dollars certified  
24 under this section shall not be included in the computation  
25 of the maximum amount of property tax dollars which may be  
26 certified and levied under section 384.1.

27     Sec. 39. Section 384.16, subsection 1, paragraph b, Code  
28 2011, is amended to read as follows:

29     *b.* A budget must show comparisons between the estimated  
30 expenditures in each program in the following year, the latest  
31 estimated expenditures in each program in the current year,  
32 and the actual expenditures in each program from the annual  
33 report as provided in section 384.22, or as corrected by a  
34 subsequent audit report. Wherever practicable, as provided in  
35 rules of the committee, a budget must show comparisons between

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1 the levels of service provided by each program as estimated for  
2 the following year, and actual levels of service provided by  
3 each program during the two preceding years. For each city  
4 that has established an urban renewal area, the budget shall  
5 include estimated and actual tax increment financing revenues  
6 and all estimated and actual expenditures of the revenues,  
7 proceeds from debt and all estimated and actual expenditures of  
8 the debt proceeds, and identification of any entity receiving  
9 a direct payment of taxes funded by tax increment financing  
10 revenues and shall include the total amount of loans, advances,  
11 indebtedness, or bonds outstanding at the close of the most  
12 recently ended fiscal year, which qualify for payment from the  
13 special fund created in section 403.19, including interest  
14 negotiated on such loans, advances, indebtedness, or bonds.  
15 The amount of loans, advances, indebtedness, or bonds shall  
16 be listed in the aggregate for each city reporting. ~~The city~~  
17 ~~finance committee, in consultation with the department of~~  
18 ~~management and the legislative services agency, shall determine~~  
19 ~~reporting criteria and shall prepare a form for reports filed~~  
20 ~~with the department pursuant to this section. The department~~  
21 ~~shall make the information available by electronic means.~~

22 Sec. 40. Section 384.19, Code 2011, is amended by adding the  
23 following new unnumbered paragraph:

24 NEW UNNUMBERED PARAGRAPH. For purposes of a tax protest  
25 filed under this section, "item" means a budgeted expenditure,  
26 appropriation, or cash reserve from a fund for a service area,  
27 program, program element, or purpose.

28 Sec. 41. Section 386.8, Code 2011, is amended to read as  
29 follows:

30 **386.8 Operation tax.**

31 A city may establish a self-supported improvement district  
32 operation fund, and may certify taxes not to exceed the  
33 rate limitation as established in the ordinance creating the  
34 district, or any amendment thereto, each year to be levied  
35 for the fund against all of the property in the district,

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1 for the purpose of paying the administrative expenses of  
2 the district, which may include but are not limited to  
3 administrative personnel salaries, a separate administrative  
4 office, planning costs including consultation fees, engineering  
5 fees, architectural fees, and legal fees and all other expenses  
6 reasonably associated with the administration of the district  
7 and the fulfilling of the purposes of the district. The taxes  
8 levied for this fund may also be used for the purpose of paying  
9 maintenance expenses of improvements or self-liquidating  
10 improvements for a specified length of time with one or more  
11 options to renew if such is clearly stated in the petition  
12 which requests the council to authorize construction of the  
13 improvement or self-liquidating improvement, whether or not  
14 such petition is combined with the petition requesting creation  
15 of a district. Parcels of property which are assessed as  
16 residential property for property tax purposes are exempt from  
17 the tax levied under this section except residential properties  
18 within a duly designated historic district. A tax levied under  
19 this section is not subject to the levy limitation in section  
20 384.1.

21 Sec. 42. Section 386.9, Code 2011, is amended to read as  
22 follows:

23 **386.9 Capital improvement tax.**

24 A city may establish a capital improvement fund for a  
25 district and may certify taxes, not to exceed the rate  
26 established by the ordinance creating the district, or any  
27 subsequent amendment thereto, each year to be levied for  
28 the fund against all of the property in the district, for  
29 the purpose of accumulating moneys for the financing or  
30 payment of a part or all of the costs of any improvement or  
31 self-liquidating improvement. However, parcels of property  
32 which are assessed as residential property for property tax  
33 purposes are exempt from the tax levied under this section  
34 except residential properties within a duly designated historic  
35 district. A tax levied under this section is not subject to

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1 the ~~levy~~ limitations in section 384.1 or 384.7.

2 Sec. 43. REPEAL. Sections 331.425 and 331.426, Code 2011,  
3 are repealed.

4 Sec. 44. APPLICABILITY. This division of this Act applies  
5 to fiscal years beginning on or after July 1, 2013.

6 DIVISION V

7 BUSINESS PROPERTY TAX CREDIT

8 Sec. 45. Section 331.512, Code 2011, is amended by adding  
9 the following new subsection:

10 NEW SUBSECTION. 13B. Carry out duties relating to the  
11 business property tax credit as provided in chapter 426C.

12 Sec. 46. Section 331.559, Code 2011, is amended by adding  
13 the following new subsection:

14 NEW SUBSECTION. 14A. Carry out duties relating to the  
15 business property tax credit as provided in chapter 426C.

16 Sec. 47. NEW SECTION. 426C.1 Definitions.

17 For the purposes of this chapter, unless the context  
18 otherwise requires:

19 1. "*Contiguous parcels*" means any of the following:

20 a. Parcels that share a common boundary.

21 b. Parcels within the same building or structure regardless  
22 of whether the parcels share a common boundary.

23 c. Permanent improvements to the land that are situated  
24 on one or more parcels of land that are assessed and taxed  
25 separately from the permanent improvements if the parcels of  
26 land upon which the permanent improvements are situated share  
27 a common boundary.

28 2. "*Department*" means the department of revenue.

29 3. "*Fund*" means the business property tax credit fund  
30 created in section 426C.2.

31 4. "*Parcel*" means as defined in section 445.1.

32 5. "*Property unit*" means contiguous parcels all of which  
33 are located within the same county, with the same property tax  
34 classification, each of which contains permanent improvements,  
35 are owned by the same person, and are operated by that person

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1 for a common use and purpose.

2     Sec. 48. NEW SECTION.   **426C.2 Business property tax credit**  
3 **fund — appropriation.**

4     1. A business property tax credit fund is created in the  
5 state treasury under the authority of the department. For  
6 the fiscal year beginning July 1, 2014, there is appropriated  
7 from the general fund of the state to the department to be  
8 credited to the fund, the sum of twenty-four million dollars  
9 to be used for business property tax credits authorized in  
10 this chapter. For the fiscal year beginning July 1, 2015,  
11 there is appropriated from the general fund of the state to the  
12 department to be credited to the fund, the sum of forty-eight  
13 million dollars. For the fiscal year beginning July 1, 2016,  
14 there is appropriated from the general fund of the state to the  
15 department to be credited to the fund, the sum of seventy-two  
16 million dollars. For the fiscal year beginning July 1, 2017,  
17 there is appropriated from the general fund of the state to the  
18 department to be credited to the fund, the sum of ninety-six  
19 million dollars. For the fiscal year beginning July 1, 2018,  
20 and each fiscal year thereafter, there is appropriated from the  
21 general fund of the state to the department to be credited to  
22 the fund, the sum of one hundred twenty million dollars.

23     2. Notwithstanding section 12C.7, subsection 2, interest or  
24 earnings on moneys deposited in the fund shall be credited to  
25 the fund. Moneys in the fund are not subject to the provisions  
26 of section 8.33 and shall not be transferred, used, obligated,  
27 appropriated, or otherwise encumbered except as provided in  
28 this chapter.

29     Sec. 49. NEW SECTION.   **426C.3 Claims for credit.**

30     1. Each person who wishes to claim the credit allowed  
31 under this chapter shall obtain the appropriate forms from the  
32 assessor and file the claim with the assessor. The director  
33 of revenue shall prescribe suitable forms and instructions for  
34 such claims, and make such forms and instructions available to  
35 the assessors.



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1     2.   *a.*   Claims for the business property tax credit shall be  
2   filed not later than March 15 preceding the fiscal year during  
3   which the taxes for which the credit is claimed are due and  
4   payable.  
5     *b.*   A claim filed after the deadline for filing claims shall  
6   be considered as a claim for the following year.  
7     3.   Upon the filing of a claim and allowance of the credit,  
8   the credit shall be allowed on the parcel or property unit for  
9   successive years without further filing as long as the parcel  
10  or property unit satisfies the requirements for the credit. If  
11  the parcel or property unit owner ceases to qualify for the  
12  credit under this chapter, the owner shall provide written  
13  notice to the assessor by the date for filing claims specified  
14  in subsection 2 following the date on which the parcel or  
15  property unit ceases to qualify for the credit.  
16    4.   When all or a portion of a parcel or property unit that  
17  is allowed a credit under this chapter is sold, transferred,  
18  or ownership otherwise changes, the buyer, transferee, or  
19  new owner who wishes to receive the credit shall refile the  
20  claim for credit. In addition, when a portion of a parcel or  
21  property unit that is allowed a credit under this chapter is  
22  sold, transferred, or ownership otherwise changes, the owner of  
23  the portion of the parcel or property unit for which ownership  
24  did not change shall refile the claim for credit.  
25    5.   The assessor shall remit the claims for credit to the  
26  county auditor with the assessor's recommendation for allowance  
27  or disallowance. If the assessor recommends disallowance  
28  of a claim, the assessor shall submit the reasons for the  
29  recommendation, in writing, to the county auditor. The county  
30  auditor shall forward the claims to the board of supervisors.  
31  The board shall allow or disallow the claims.  
32    6.   For each claim and allowance of a credit for a property  
33  unit, the county auditor shall calculate the average of all  
34  consolidated levy rates applicable to the several parcels  
35  within the property unit. All claims for credit which have

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1 been allowed by the board of supervisors, the actual value of  
2 the permanent improvements to such parcels and property units  
3 applicable to the fiscal year for which the credit is claimed  
4 that are subject to assessment and taxation prior to imposition  
5 of any applicable assessment limitation, the consolidated levy  
6 rates for such parcels and the average consolidated levy rates  
7 for such property units applicable to the fiscal year for which  
8 the credit is claimed, and the taxing districts in which the  
9 parcel or property unit is located, shall be certified on or  
10 before June 30, in each year, by the county auditor to the  
11 department.

12 7. The assessor shall maintain a permanent file of current  
13 business property tax credits. The assessor shall file a  
14 notice of transfer of property for which a credit has been  
15 allowed when notice is received from the office of the county  
16 recorder, from the person who sold or transferred the property,  
17 or from the personal representative of a deceased property  
18 owner. The county recorder shall give notice to the assessor  
19 of each transfer of title filed in the recorder's office. The  
20 notice from the county recorder shall describe the property  
21 transferred, the name of the person transferring title to the  
22 property, and the name of the person to whom title to the  
23 property has been transferred.

24 Sec. 50. NEW SECTION. **426C.4 Eligibility and amount of**  
25 **credit.**

26 1. Each parcel classified and taxed as commercial property,  
27 industrial property, or railway property under chapter 434,  
28 and improved with permanent construction, is eligible for a  
29 credit under this chapter. A person may claim and receive one  
30 credit under this chapter for each eligible parcel unless the  
31 parcel is part of a property unit. A person may only claim and  
32 receive one credit under this chapter for each property unit.  
33 A credit approved for a property unit shall be allocated to the  
34 several parcels within the property unit in the proportion that  
35 each parcel's total amount of property taxes due and payable

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1 attributable to the permanent improvements bears to the total  
2 amount of property taxes due and payable attributable to the  
3 permanent improvements for the property unit. Only property  
4 units comprised of commercial property, comprised of industrial  
5 property, or comprised of railway property under chapter 434  
6 are eligible for a credit under this chapter.

7     2. Using the actual value of the permanent improvements  
8 and the consolidated levy rate for each parcel or the average  
9 consolidated levy rate for each property unit, as certified  
10 by the county auditor to the department under section 426C.3,  
11 subsection 6, the department shall calculate, for each  
12 fiscal year, an initial amount of actual value of permanent  
13 improvements for use in determining the amount of the credit  
14 for each such parcel or property unit so as to provide the  
15 maximum possible credit according to the credit formula and  
16 limitations under subsection 3, and to provide a total dollar  
17 amount of credits against the taxes due and payable in the  
18 fiscal year equal to ninety-eight percent of the moneys in the  
19 fund following the deposit of the appropriation for the fiscal  
20 year.

21     3. *a.* The amount of the credit for each parcel or property  
22 unit for which a claim for credit under this chapter has been  
23 approved shall be calculated under paragraph "b" using the  
24 lesser of the initial amount of actual value of the permanent  
25 improvements determined by the department under subsection  
26 2, and the actual value of the permanent improvements to the  
27 parcel or property unit as certified by the county auditor  
28 under section 426C.3, subsection 6.

29     *b.* The amount of the credit for each parcel or property  
30 unit for which a claim for credit under this chapter has  
31 been approved shall be equal to the amount of actual value  
32 determined under paragraph "a" multiplied by the difference,  
33 stated as a percentage, between the assessment limitation  
34 applicable to the parcel or property unit under section 441.21,  
35 subsection 5, and the assessment limitation applicable to

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1 residential property under section 441.21, subsection 4,  
2 divided by one thousand dollars, and then multiplied by the  
3 consolidated levy rate or average consolidated levy rate for  
4 one thousand dollars of taxable value applicable to the parcel  
5 or property unit for the fiscal year for which the credit  
6 is claimed as certified by the county auditor under section  
7 426C.3, subsection 6.

8 Sec. 51. NEW SECTION. **426C.5 Payment to counties.**

9 1. Annually the department shall certify to the county  
10 auditor of each county the amounts of the business property  
11 tax credits allowed in the county. Each county auditor shall  
12 then enter the credits against the tax levied on each eligible  
13 parcel or property unit in the county, designating on the tax  
14 lists the credit as being from the fund. Each taxing district  
15 shall receive its share of the business property tax credit  
16 allowed on each eligible parcel or property unit in such taxing  
17 district, in the proportion that the levy made by such taxing  
18 district upon the parcel or property unit bears to the total  
19 levy upon the parcel or property unit by all taxing districts  
20 imposing a property tax in such taxing district. However, the  
21 several taxing districts shall not draw the moneys so credited  
22 until after the semiannual allocations have been received by  
23 the county treasurer, as provided in this section. Each county  
24 treasurer shall show on each tax receipt the amount of credit  
25 received from the fund.

26 2. The director of the department of administrative  
27 services shall issue warrants on the fund payable to the county  
28 treasurers of the several counties of the state under this  
29 chapter.

30 3. The amount due each county shall be paid in two payments  
31 on November 15 and March 15 of each fiscal year, drawn upon  
32 warrants payable to the respective county treasurers. The two  
33 payments shall be as nearly equal as possible.

34 Sec. 52. NEW SECTION. **426C.6 Appeals.**

35 1. If the board of supervisors disallows a claim for credit

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1 under section 426C.3, subsection 5, the board of supervisors  
2 shall send written notice, by mail, to the claimant at the  
3 claimant's last known address. The notice shall state the  
4 reasons for disallowing the claim for the credit. The board  
5 of supervisors is not required to send notice that a claim for  
6 credit is disallowed if the claimant voluntarily withdraws the  
7 claim. Any person whose claim is denied under the provisions  
8 of this chapter may appeal from the action of the board of  
9 supervisors to the district court of the county in which the  
10 parcel or property unit is located by giving written notice  
11 of such appeal to the county auditor within twenty days from  
12 the date of mailing of notice of such action by the board of  
13 supervisors.

14 2. If any claim for credit has been denied by the board  
15 of supervisors, and such action is subsequently reversed on  
16 appeal, the credit shall be allowed on the applicable parcel  
17 or property unit, and the director of revenue, the county  
18 auditor, and the county treasurer shall provide the credit and  
19 change their books and records accordingly. In the event the  
20 appealing taxpayer has paid one or both of the installments of  
21 the tax payable in the year or years in question, remittance  
22 shall be made to such taxpayer of the amount of such credit.  
23 The amount of such credit awarded on appeal shall be allocated  
24 and paid from the balance remaining in the fund.

25 Sec. 53. NEW SECTION. 426C.7 Audit — denial.

26 1. If on the audit of a credit provided under this chapter,  
27 the director of revenue determines the amount of the credit  
28 to have been incorrectly calculated or that the credit is  
29 not allowable, the director shall recalculate the credit and  
30 notify the taxpayer and the county auditor of the recalculation  
31 or denial and the reasons for it. The director shall not  
32 adjust a credit after three years from October 31 of the year  
33 in which the claim for the credit was filed. If the credit  
34 has been paid, the director shall give notification to the  
35 taxpayer, the county treasurer, and the applicable assessor

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1 of the recalculation or denial of the credit and the county  
2 treasurer shall proceed to collect the tax owed in the same  
3 manner as other property taxes due and payable are collected,  
4 if the parcel or property unit for which the credit was allowed  
5 is still owned by the taxpayer. If the parcel or property unit  
6 for which the credit was allowed is not owned by the taxpayer,  
7 the amount may be recovered from the taxpayer by assessment in  
8 the same manner that income taxes are assessed under sections  
9 422.26 and 422.30. The amount of such erroneous credit, when  
10 collected, shall be deposited in the fund.

11 2. The taxpayer or board of supervisors may appeal any  
12 decision of the director of revenue to the state board of tax  
13 review pursuant to section 421.1, subsection 5. The taxpayer,  
14 the board of supervisors, or the director of revenue may seek  
15 judicial review of the action of the state board of tax review  
16 in accordance with chapter 17A.

17 Sec. 54. NEW SECTION. **426C.8 False claim — penalty.**

18 A person who makes a false claim for the purpose of obtaining  
19 a credit provided for in this chapter or who knowingly receives  
20 the credit without being legally entitled to it is guilty of a  
21 fraudulent practice. The claim for a credit of such a person  
22 shall be disallowed and if the credit has been paid the amount  
23 shall be recovered in the manner provided in section 426C.7.  
24 In such cases, the director of revenue shall send a notice of  
25 disallowance of the credit.

26 Sec. 55. NEW SECTION. **426C.9 Rules.**

27 The director of revenue shall prescribe forms, instructions,  
28 and rules pursuant to chapter 17A, as necessary, to carry out  
29 the purposes of this chapter.

30 Sec. 56. **APPLICABILITY.** This division of this Act applies  
31 to property taxes due and payable in fiscal years beginning on  
32 or after July 1, 2014.

33 DIVISION VI

34 MULTIRESIDENTIAL PROPERTY CLASSIFICATION

35 Sec. 57. Section 404.2, subsection 2, paragraph f, Code

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1 2011, is amended to read as follows:

2     *f.* A statement specifying whether the revitalization is  
3 applicable to none, some, or all of the property assessed as  
4 residential, multiresidential, agricultural, commercial, or  
5 industrial property within the designated area or a combination  
6 thereof and whether the revitalization is for rehabilitation  
7 and additions to existing buildings or new construction or  
8 both. If revitalization is made applicable only to some  
9 property within an assessment classification, the definition of  
10 that subset of eligible property must be by uniform criteria  
11 which further some planning objective identified in the plan.  
12 The city shall state how long it is estimated that the area  
13 shall remain a designated revitalization area which time  
14 shall be longer than one year from the date of designation  
15 and shall state any plan by the city to issue revenue bonds  
16 for revitalization projects within the area. For a county, a  
17 revitalization area shall include only property which will be  
18 used as industrial property, commercial property, ~~commercial~~  
19 ~~property consisting of three or more separate living quarters~~  
20 ~~with at least seventy-five percent of the space used for~~  
21 ~~residential purposes,~~ multiresidential property, or residential  
22 property. However, a county shall not provide a tax exemption  
23 under this chapter to commercial property, ~~commercial property~~  
24 ~~consisting of three or more separate living quarters with at~~  
25 ~~least seventy-five percent of the space used for residential~~  
26 ~~purposes,~~ multiresidential property, or residential property  
27 which is located within the limits of a city.

28     Sec. 58. Section 404.3, subsection 4, Code 2011, is amended  
29 to read as follows:

30     4. All qualified real estate assessed as residential  
31 property ~~or assessed as commercial property, if the commercial~~  
32 ~~property consists of three or more separate living quarters~~  
33 ~~with at least seventy-five percent of the space used for~~  
34 ~~residential purposes,~~ or assessed as multiresidential property  
35 is eligible to receive a one hundred percent exemption from

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1 taxation on the actual value added by the improvements. The  
2 exemption is for a period of ten years.

3 Sec. 59. Section 441.21, subsection 8, paragraph b, Code  
4 Supplement 2011, is amended to read as follows:

5 b. Notwithstanding paragraph "a", any construction or  
6 installation of a solar energy system on property classified  
7 as agricultural, residential, commercial, multiresidential, or  
8 industrial property shall not increase the actual, assessed,  
9 and taxable values of the property for five full assessment  
10 years.

11 Sec. 60. Section 441.21, subsections 9 and 10, Code  
12 Supplement 2011, are amended to read as follows:

13 9. Not later than November 1, 1979, and November 1 of each  
14 subsequent year, the director shall certify to the county  
15 auditor of each county the percentages of actual value at  
16 which residential property, agricultural property, commercial  
17 property, industrial property, multiresidential property,  
18 and property valued by the department of revenue pursuant  
19 to chapters 428, 433, 434, 437, and 438 in each assessing  
20 jurisdiction in the county shall be assessed for taxation. The  
21 county auditor shall proceed to determine the assessed values  
22 of agricultural property, residential property, commercial  
23 property, industrial property, multiresidential property,  
24 and property valued by the department of revenue pursuant  
25 to chapters 428, 433, 434, 437, and 438 by applying such  
26 percentages to the current actual value of such property,  
27 as reported to the county auditor by the assessor, and the  
28 assessed values so determined shall be the taxable values of  
29 such properties upon which the levy shall be made.

30 10. The percentage of actual value computed by the  
31 director for agricultural property, residential property,  
32 commercial property, industrial property, multiresidential  
33 property, and property valued by the department of revenue  
34 pursuant to chapters 428, 433, 434, 437, and 438 and used to  
35 determine assessed values of those classes of property does not

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1 constitute a rule as defined in section 17A.2, subsection 11.  
2     Sec. 61. Section 441.21, Code Supplement 2011, is amended by  
3 adding the following new subsection:  
4     NEW SUBSECTION. 13. a. Beginning with valuations  
5 established on or after January 1, 2013, mobile home parks,  
6 manufactured home communities, land-leased communities,  
7 assisted living facilities, and that portion of a building  
8 that is used for human habitation and a proportionate share of  
9 the land upon which the building is situated, even if the use  
10 for human habitation is not the primary use of the building,  
11 and regardless of the number of dwelling units located in  
12 the building, and not otherwise classified as residential  
13 property, shall be valued as a separate class of property  
14 known as multiresidential property and, excluding properties  
15 referred to in section 427A.1, subsection 8, shall be assessed  
16 at a percentage of its actual value, as determined in this  
17 subsection. For valuations established for the assessment year  
18 beginning January 1, 2013, the percentage of actual value as  
19 equalized by the director of revenue as provided in section  
20 441.49 at which multiresidential property shall be assessed  
21 shall be ninety percent. For valuations established for the  
22 assessment year beginning January 1, 2014, the percentage  
23 of actual value as equalized by the director of revenue as  
24 provided in section 441.49 at which multiresidential property  
25 shall be assessed shall be eighty percent. For valuations  
26 established for the assessment year beginning January 1, 2015,  
27 the percentage of actual value as equalized by the director of  
28 revenue as provided in section 441.49 at which multiresidential  
29 property shall be assessed shall be seventy percent. For  
30 valuations established for the assessment year beginning  
31 January 1, 2016, the percentage of actual value as equalized by  
32 the director of revenue as provided in section 441.49 at which  
33 multiresidential property shall be assessed shall be sixty  
34 percent. For valuations established for the assessment year  
35 beginning January 1, 2017, and each assessment year thereafter,

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1 the percentage of actual value as equalized by the director of  
2 revenue as provided in section 441.49 at which multiresidential  
3 property shall be assessed shall be equal to the percentage of  
4 actual value at which property assessed as residential property  
5 is assessed under subsection 4 for the same assessment year.

6     *b.* Accordingly, the assessor may assign more than one  
7 classification to a parcel of property that, in part, satisfies  
8 the requirements of this subsection. In no case, however,  
9 shall a hotel, motel, inn, or other building where rooms or  
10 dwelling units are usually rented for less than one month be  
11 classified as multiresidential property under this subsection.

12 *c.* As used in this subsection:

13 (1) "*Assisted living facility*" means property for providing  
14 assisted living as defined in section 231C.2.

15       (2) "*Dwelling unit*" means an apartment, group of rooms,  
16 or single room which is occupied as separate living quarters  
17 or, if vacant, is intended for occupancy as separate living  
18 quarters, in which a tenant can live and sleep separately from  
19 any other persons in the building.

20 (3) "*Land-leased community*" means the same as defined in  
21 sections 335.30A and 414.28A.

22       (4) "*Manufactured home community*" means the same as a  
23 land-leased community.

24 (5) "*Mobile home park*" means the same as defined in section  
25 435.1.

26       Sec. 62. Section 558.46, subsection 5, Code 2011, is amended  
27 to read as follows:

28 5. For the purposes of this section, "*residential property*"  
29 includes ~~commercial~~ multiresidential property as defined in  
30 section 441.21, subsection 13, consisting of three or more  
31 separate living quarters with at least seventy-five percent of  
32 the space used for residential purposes.

33     Sec. 63. APPLICABILITY. This division of this Act applies  
34 to assessment years beginning on or after January 1, 2013.

EXPLANATION

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1 This bill relates to taxation and local government budgets  
2 by providing for an increase in the amount of the earned  
3 income tax credit, establishing and modifying property  
4 assessment limitations, providing for certain property tax  
5 replacement payments, modifying the assessment and taxation  
6 of telecommunications company property, establishing budget  
7 limitations for counties and cities, modifying certain  
8 reporting requirements, establishing a property tax credit  
9 for certain commercial, industrial, and railway property, and  
10 classifying certain property as multiresidential property.

11 Division I of the bill increases the amount of the state  
12 earned income tax credit. Currently, the credit is equal to  
13 7 percent of the amount of a taxpayer's federal earned income  
14 tax credit. The bill increases the amount of the credit to 10  
15 percent.

16 Division I of the bill applies retroactively to January 1,  
17 2012, for tax years beginning on or after that date.

18 Division II of the bill changes the property tax assessment  
19 limitation percentage for residential property and agricultural  
20 property from 4 percent to 3 percent for assessment years  
21 beginning on or after January 1, 2013.

22 Division II of the bill strikes the methodology in Code  
23 section 441.21(5) currently used to determine the percentage  
24 of actual value at which commercial property and industrial  
25 property are assessed for property tax purposes. The bill  
26 provides that for valuations established for the assessment  
27 year beginning January 1, 2013, the percentage of actual value  
28 at which commercial and industrial property are assessed is  
29 98 percent. For the assessment year beginning January 1,  
30 2014, the percentage of actual value at which commercial and  
31 industrial property are assessed is 96 percent. For the  
32 assessment year beginning January 1, 2015, the percentage of  
33 actual value at which commercial and industrial property are  
34 assessed is 94 percent. For the assessment year beginning  
35 January 1, 2016, the percentage of actual value at which

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1 commercial and industrial property are assessed is 92 percent.  
2 For assessment years beginning on or after January 1, 2017, the  
3 percentage of actual value at which commercial and industrial  
4 property are assessed is 90 percent.

5 Division II of the bill also modifies the provision relating  
6 to the calculation of the assessment limitation for property  
7 valued by the department of revenue pursuant to Code chapters  
8 428, 433, 437, and 438 by specifying that for assessment years  
9 beginning on or after January 1, 2013, but before January 1,  
10 2019, such assessment limitation shall be calculated using  
11 property valuations for the applicable assessment years  
12 that include the total value of specified telecommunications  
13 company property exempted from taxation under new Code section  
14 433.4(2)(b), if enacted in division III of the bill.

15 Division II provides that for valuations established on  
16 or after January 1, 2013, property valued by the department  
17 of revenue pursuant to Code chapter 434 (railway property)  
18 is assessed at a percentage of its actual value equal to the  
19 percentage of actual value at which commercial property is  
20 assessed for the same assessment year.

21 Division II creates a commercial and industrial property tax  
22 replacement fund in new Code section 441.21A under the control  
23 of the department of revenue. For the fiscal year beginning  
24 July 1, 2014, there is appropriated from the general fund of  
25 the state to the department of revenue to be credited to the  
26 fund an amount necessary to pay all commercial and industrial  
27 property tax replacement claims for the fiscal year, not to  
28 exceed \$28 million. For the fiscal year beginning July 1,  
29 2015, there is appropriated from the general fund of the state  
30 to the department of revenue to be credited to the fund an  
31 amount necessary to pay all commercial and industrial property  
32 tax replacement claims for the fiscal year, not to exceed \$56  
33 million. For the fiscal year beginning July 1, 2016, there  
34 is appropriated from the general fund of the state to the  
35 department of revenue to be credited to the fund an amount

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1 necessary to pay all commercial and industrial property tax  
2 replacement claims for the fiscal year, not to exceed \$84  
3 million. For the fiscal year beginning July 1, 2017, there  
4 is appropriated from the general fund of the state to the  
5 department of revenue to be credited to the fund an amount  
6 necessary to pay all commercial and industrial property tax  
7 replacement claims for the fiscal year, not to exceed \$112  
8 million. For the fiscal year beginning July 1, 2018, and each  
9 fiscal year thereafter, there is appropriated from the general  
10 fund of the state to the department of revenue to be credited  
11 to the fund an amount necessary to pay all commercial and  
12 industrial property tax replacement claims for the fiscal year,  
13 not to exceed \$140 million.

14 Division II provides that beginning with the fiscal year  
15 starting July 1, 2014, moneys appropriated to the commercial  
16 and industrial property tax replacement fund are for the  
17 payment of commercial and industrial property tax replacement  
18 claims. The bill provides that if an amount appropriated for  
19 a fiscal year is insufficient to pay all replacement claims,  
20 the director of revenue shall prorate the disbursements from  
21 the fund to the county treasurers and shall notify the county  
22 auditors of the pro rata percentage on or before September 30.  
23 Any unspent balance as of June 30 of each year shall revert to  
24 the general fund of the state as provided in Code section 8.33.

25 Division II requires the assessor to determine, on or  
26 before July 1 of each fiscal year beginning on or after July  
27 1, 2014, the total assessed value of all commercial property,  
28 industrial property, and property assessed by the department  
29 of revenue under Code chapter 434 (railway) for taxes due  
30 and payable in that fiscal year and the total assessed value  
31 of all such property assessed as of January 1, 2012, and to  
32 report those valuations to the county auditor. On or before  
33 September 1, the county auditor prepares a statement, based  
34 upon the report listing for each taxing district in the county  
35 the assessed values of such property located in the taxing

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1 district for specified assessment years, the tax levy rate for  
2 each taxing district, and the property tax replacement claim  
3 for each taxing district. The replacement claim is equal to  
4 the difference between the assessed valuation of all such  
5 property located in the taxing district and assessed for the  
6 applicable assessment year and the total assessed value of all  
7 such property located in the taxing district and assessed as  
8 of January 1, 2012, multiplied by the tax rate specified for  
9 the taxing district. If the January 1, 2012, assessment amount  
10 is less, there is no replacement claim for the taxing district  
11 for that year.

12 Replacement claims are paid to each county treasurer in  
13 equal installments in September and March of each year. The  
14 county treasurer apportions the replacement claim payments  
15 among the eligible taxing districts in the county.

16 Division II of the bill defines a tax increment financing  
17 district in an urban renewal area as a taxing district for  
18 purposes of allocation of replacement moneys and provides for  
19 the method of allocation in those districts.

20 Division II, pursuant to Code section 4.13, does not affect  
21 the application of prior provisions of Code section 441.21 to  
22 assessment years beginning before January 1, 2013.

23 Division II of the bill applies to assessment years  
24 beginning on or after January 1, 2013.

25 Division III of the bill relates to the manner in which the  
26 property of telecommunications companies is assessed and taxed.

27 The assessment provisions of current Code section  
28 433.4 provide that in ascertaining the actual value of  
29 telecommunications company property the director of revenue  
30 shall include all property of every kind and character  
31 whatsoever, real, personal, or mixed, used by the company in  
32 the transaction of telegraph and telephone business.

33 Division III of the bill strikes the provisions that  
34 included all kinds and character of property in the  
35 determination of actual value of a company's property.



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1 Instead, the bill provides that for assessment years beginning  
2 on or after January 1, 2013, a company's property, excluding  
3 central office equipment, transmission equipment, qualified  
4 telephone company property, and intangible property, all  
5 as defined in the bill, shall be subject to assessment and  
6 taxation under Code chapter 433 by the director of revenue in  
7 the same manner as property assessed and taxed as commercial  
8 property. The bill provides, however, that for assessment  
9 years beginning on or after January 1, 2013, but before January  
10 1, 2018, the director of revenue shall include as part of the  
11 actual value so determined for that assessment year a specified  
12 amount of actual value of the company's qualified telephone  
13 company property. The bill defines "qualified telephone  
14 company property" as telephone wire, telephone cable, fiber  
15 optic cable, conduit systems, poles, or other equipment owned  
16 or leased by a company and used by the company to transmit  
17 sound or data.

18 Division III of the bill strikes a provision in Code section  
19 476.1D that allowed certain specified long-distance telephone  
20 company property to be assessed for taxation as commercial  
21 property by the local assessor.

22 Except for the section of division III of the bill amending  
23 Code section 476.1D, division III of the bill takes effect  
24 July 1, 2012, and applies to assessment years beginning on or  
25 after January 1, 2013. The section of division III of the bill  
26 amending Code section 476.1D takes effect July 1, 2017, and  
27 applies to assessment years beginning on or after January 1,  
28 2018.

29 Division III of the bill provides that the provisions in  
30 Code section 25B.7, relating to the obligation of the state  
31 to reimburse local jurisdictions for property tax credits and  
32 exemptions, does not apply to the exemption in division III of  
33 the bill.

34 Division III, pursuant to Code section 4.13, does not  
35 affect the application of Code chapter 433 to assessment years

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1 beginning before January 1, 2013.

2 Division IV of the bill removes the property tax levy rate  
3 limitations on the general and rural funds for counties and on  
4 the general fund for cities and substitutes a limitation on the  
5 maximum amount of property tax dollars that may be certified  
6 for expenditure by a county or city for fiscal years beginning  
7 on or after July 1, 2013. For the fiscal year beginning July  
8 1, 2013, and subsequent fiscal years, the maximum amount of  
9 property tax dollars which may be certified for levy shall be  
10 an amount equal to the sum of the current fiscal year's total  
11 property tax dollars certified by the county multiplied by the  
12 annual growth factor, as defined in the bill, and the amount of  
13 net new valuation taxes, as defined in the bill.

14 Division IV also allows counties and cities to certify  
15 additions to the maximum amount of property tax dollars to be  
16 levied for a period of time not to exceed two years if the  
17 proposition has been approved at a special election. The bill  
18 specifies the notice and election requirements for such a  
19 proposition. The bill specifies that such amounts approved at  
20 special election are not to be included in the computation of  
21 the maximum amount of property tax dollars for future budget  
22 years.

23 Division IV of the bill specifies certain requirements  
24 for ending fund balances for counties and cities. The bill  
25 provides that budgeted ending fund balances in certain  
26 specified funds for a budget year in excess of 25 percent  
27 of budgeted expenditures shall be explicitly reserved or  
28 designated for a specific purpose.

29 Under the bill, counties and cities are encouraged, but not  
30 required, to reduce ending fund balances for the budget year  
31 to an amount equal to approximately 25 percent of budgeted  
32 expenditures and certain transfers for that budget year  
33 unless a decision is certified by the state appeal board  
34 ordering a reduction in the ending fund balance of any of those  
35 funds. The county or city, as applicable, has the burden of

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1 proving that the budgeted balances in excess of 25 percent  
2 are reasonably likely to be appropriated for the explicitly  
3 reserved or designated specific purpose.

4 Division IV of the bill also allows for additional property  
5 taxes to be levied in certain fiscal years for those counties  
6 or cities that have, as of June 30, 2012, reduced their  
7 actual ending fund balance to less than 25 percent of actual  
8 expenditures. Such additional property tax dollars authorized  
9 but not levied may be carried forward as unused ending  
10 fund balance taxing authority until and for the fiscal year  
11 beginning July 1, 2018. However, the amount carried forward  
12 shall not exceed 25 percent of the maximum amount of property  
13 tax dollars available in the current fiscal year. The amount  
14 of such additional property taxes levied shall not, however, be  
15 included in the computation of the maximum amount of property  
16 tax dollars which may be certified and levied in future budget  
17 years.

18 Division IV also makes conforming amendments to other  
19 provisions of the Code.

20 Division IV strikes language relating to the duties of the  
21 county finance committee and the city finance committee to  
22 determine criteria for reporting of certain indebtedness and  
23 strikes language requiring the department of management to make  
24 such information available by electronic means.

25 Division IV applies to fiscal years beginning on or after  
26 July 1, 2013.

27 Division V of the bill creates a business property tax credit  
28 under new Code chapter 426C for property taxes due and payable  
29 in fiscal years beginning on or after July 1, 2014.

30 Division V of the bill establishes a business property  
31 tax credit fund. For the fiscal year beginning July 1,  
32 2014, the bill appropriates from the general fund of the  
33 state to the department of revenue for deposit in the fund,  
34 \$24 million. For the fiscal year beginning July 1, 2015,  
35 the bill appropriates from the general fund of the state



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1 to the department of revenue for deposit in the fund, \$48  
2 million. For the fiscal year beginning July 1, 2016, the  
3 bill appropriates from the general fund of the state to  
4 the department of revenue to be credited to the fund, \$72  
5 million. For the fiscal year beginning July 1, 2017, the  
6 bill appropriates from the general fund of the state to the  
7 department of revenue to be credited to the fund, \$96 million.  
8 For the fiscal year beginning July 1, 2018, and each fiscal  
9 year thereafter, the bill appropriates from the general fund  
10 of the state to the department of revenue to be credited to the  
11 fund, \$120 million. Under the bill, interest or earnings on  
12 moneys deposited in the fund are credited to the fund, moneys  
13 in the fund are not subject to the provisions of Code section  
14 8.33, and moneys in the fund shall not be transferred, used,  
15 obligated, appropriated, or otherwise encumbered except as  
16 provided in new Code chapter 426C.

17 Division V of the bill provides that each person who wishes  
18 to claim a business property tax credit shall obtain the  
19 appropriate forms from the assessor and file the claim with the  
20 assessor. The director of revenue is required to prescribe  
21 suitable forms and instructions for such claims, and make  
22 such forms and instructions available to the assessors. The  
23 assessor is required to remit the claims for credit to the  
24 county auditor with the assessor's recommendation for allowance  
25 or disallowance. If the assessor recommends disallowance  
26 of a claim, the assessor shall submit the reasons for the  
27 recommendation, in writing, to the county auditor. The county  
28 auditor then forwards the claims to the board of supervisors.  
29 The board is required to allow or disallow the claims. If  
30 the board of supervisors disallows a claim for a credit, the  
31 board of supervisors is required to send written notice, by  
32 mail, to the claimant and the notice must state the reasons for  
33 disallowing the claim for the credit. Any person whose claim  
34 for credit is denied may appeal from the action of the board of  
35 supervisors to the district court of the county in which the





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1 parcel or property unit is located.

2 Claims for the business property tax credit must be filed  
3 not later than March 15 preceding the fiscal year during which  
4 the property taxes for which the credit is claimed are due and  
5 payable.

6 Upon the filing of a claim and allowance of a business  
7 property tax credit, the credit is allowed on the parcel or  
8 property unit for successive years without further filing as  
9 long as the parcel or property unit satisfies the requirements  
10 for the credit. The owner is required to provide written  
11 notice to the assessor when the parcel or property unit ceases  
12 to qualify for the credit. The bill requires the assessor to  
13 maintain a permanent file of current credits and also specifies  
14 certain requirements for parcel or property unit owners,  
15 assessors, and county recorders when all or a portion of such  
16 parcels or property units are sold, transferred, or ownership  
17 otherwise changes.

18 Under division V of the bill, each parcel classified and  
19 taxed as commercial property, industrial property, or railway  
20 property under Code chapter 434, and improved with permanent  
21 construction, is eligible for a business property tax credit.  
22 A person may claim and receive one credit for each eligible  
23 parcel unless the parcel is part of a property unit. The  
24 bill defines "property unit" to mean contiguous parcels  
25 located within the same county, with the same property tax  
26 classification, each containing permanent improvements, owned  
27 by the same person, and operated by that person for a common  
28 use and purpose. A person may only claim and receive one  
29 tax credit for each property unit. A credit approved for a  
30 property unit is allocated to the several parcels within the  
31 property unit in the proportion that each parcel's property tax  
32 liability on permanent improvements bears to the total property  
33 tax liability on permanent improvements for the property unit.  
34 Only those property units comprised of commercial property,  
35 comprised of industrial property, or comprised of railway

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1 property under Code chapter 434 are eligible for a credit.  
2 Division V of the bill provides that all claims for credit  
3 which have been allowed, the actual value of the permanent  
4 improvements to the applicable parcels and property units that  
5 are subject to assessment and taxation, the consolidated levy  
6 rates or average consolidated levy rates for such parcels and  
7 property units applicable to the fiscal year for which the  
8 credit is claimed, and the taxing districts in which each  
9 parcel or property unit is located, shall be certified on or  
10 before June 30, in each year, by the county auditor to the  
11 department of revenue.  
12 Division V of the bill provides that using the actual value  
13 of the permanent improvements and the consolidated levy rate  
14 or average consolidated levy rate for each parcel or property  
15 unit, as certified by the county auditor, the department  
16 is required to calculate, for each fiscal year, an initial  
17 amount of actual value of permanent improvements for use  
18 in determining the amount of the credit for each approved  
19 parcel or property unit so as to provide the maximum possible  
20 credit according to the credit formula and limitations in the  
21 bill, and to provide a total dollar amount of credits in the  
22 fiscal year equal to 98 percent of the moneys in the business  
23 property tax credit fund following the deposit of the total  
24 appropriation for the fiscal year.  
25 The credit for each parcel or property unit for which a  
26 claim for a business property tax credit has been approved  
27 is calculated using the lesser of the initial amount of  
28 actual value of the permanent improvements determined by  
29 the department for the fiscal year and the actual value of  
30 permanent improvements to the parcel or property unit as  
31 certified to the department of revenue. The amount of the  
32 credit for each parcel or property unit is then calculated by  
33 multiplying the lesser amount of actual value, so determined,  
34 by the difference, stated as a percentage, between the  
35 assessment limitation applicable to the parcel or property



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1 unit under Code section 441.21(5) (commercial, industrial, and  
2 railway property tax rollback) and the assessment limitation  
3 applicable to residential property under Code section 441.21(4)  
4 (residential property tax rollback), divided by \$1,000, and  
5 then multiplied by the consolidated levy rate or average  
6 consolidated levy rate for \$1,000 of taxable value applicable  
7 to the parcel or property unit for the fiscal year for which  
8 the credit is claimed.

9 Division V of the bill specifies the procedures for the  
10 payment of the amount of the business property tax credits  
11 to the county treasurers and the resulting apportionment to  
12 the applicable taxing districts. The bill also specifies the  
13 requirements and procedures for an appeal of a denial of a  
14 claim for credit, specifies the requirements and procedures  
15 for an audit of a business property tax credit allowed, and  
16 specifies requirements relating to the collection of property  
17 taxes due as the result of an incorrectly calculated or  
18 improperly approved credit.

19 Division V of the bill provides that a person who makes a  
20 false claim for the purpose of obtaining a business property  
21 tax credit or who knowingly receives the credit without being  
22 legally entitled to it is guilty of a fraudulent practice and  
23 is subject to a criminal penalty.

24 Division V of the bill requires the director of revenue  
25 to prescribe forms, instructions, and rules pursuant to Code  
26 chapter 17A, as necessary, to carry out the purposes of new  
27 Code chapter 426C.

28 Division V of the bill applies to property taxes due and  
29 payable in fiscal years beginning on or after July 1, 2014.

30 Division VI of the bill provides that beginning with  
31 valuations established for property tax purposes on or  
32 after January 1, 2013, mobile home parks, manufactured  
33 home communities, land-leased communities, assisted living  
34 facilities, and that portion of a building that is used for  
35 human habitation and a proportionate share of the land upon

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1 which the building is situated, even if the use for human  
2 habitation is not the primary use of the building or structure,  
3 and regardless of the number of dwelling units located in  
4 the building, and not otherwise classified as residential  
5 property, shall be valued as a separate class of property known  
6 as multiresidential property. For valuations established for  
7 the assessment year beginning January 1, 2013, the percentage  
8 of actual value at which multiresidential property shall be  
9 assessed shall be 90 percent. For valuations established for  
10 the assessment year beginning January 1, 2014, the percentage  
11 of actual value at which multiresidential property shall be  
12 assessed shall be 80 percent. For valuations established for  
13 the assessment year beginning January 1, 2015, the percentage  
14 of actual value at which multiresidential property shall be  
15 assessed shall be 70 percent. For valuations established for  
16 the assessment year beginning January 1, 2016, the percentage  
17 of actual value at which multiresidential property shall be  
18 assessed shall be 60 percent. For valuations established  
19 for the assessment year beginning January 1, 2017, and each  
20 assessment year thereafter, the percentage of actual value  
21 at which multiresidential property shall be assessed shall  
22 be equal to the percentage of actual value at which property  
23 assessed as residential property is assessed for the same  
24 assessment year. An assessor may assign more than one  
25 classification to a parcel of property. The bill provides,  
26 however, that a hotel, motel, inn, or other building where  
27 rooms or dwelling units are usually rented for less than one  
28 month shall not be classified as multiresidential property.  
29 Division VI of the bill makes changes to Iowa Code chapters  
30 404, 441, and 558 to correspond to the establishment of the  
31 multiresidential property classification for property tax  
32 purposes.  
33 Division VI of the bill applies to assessment years  
34 beginning on or after January 1, 2013.